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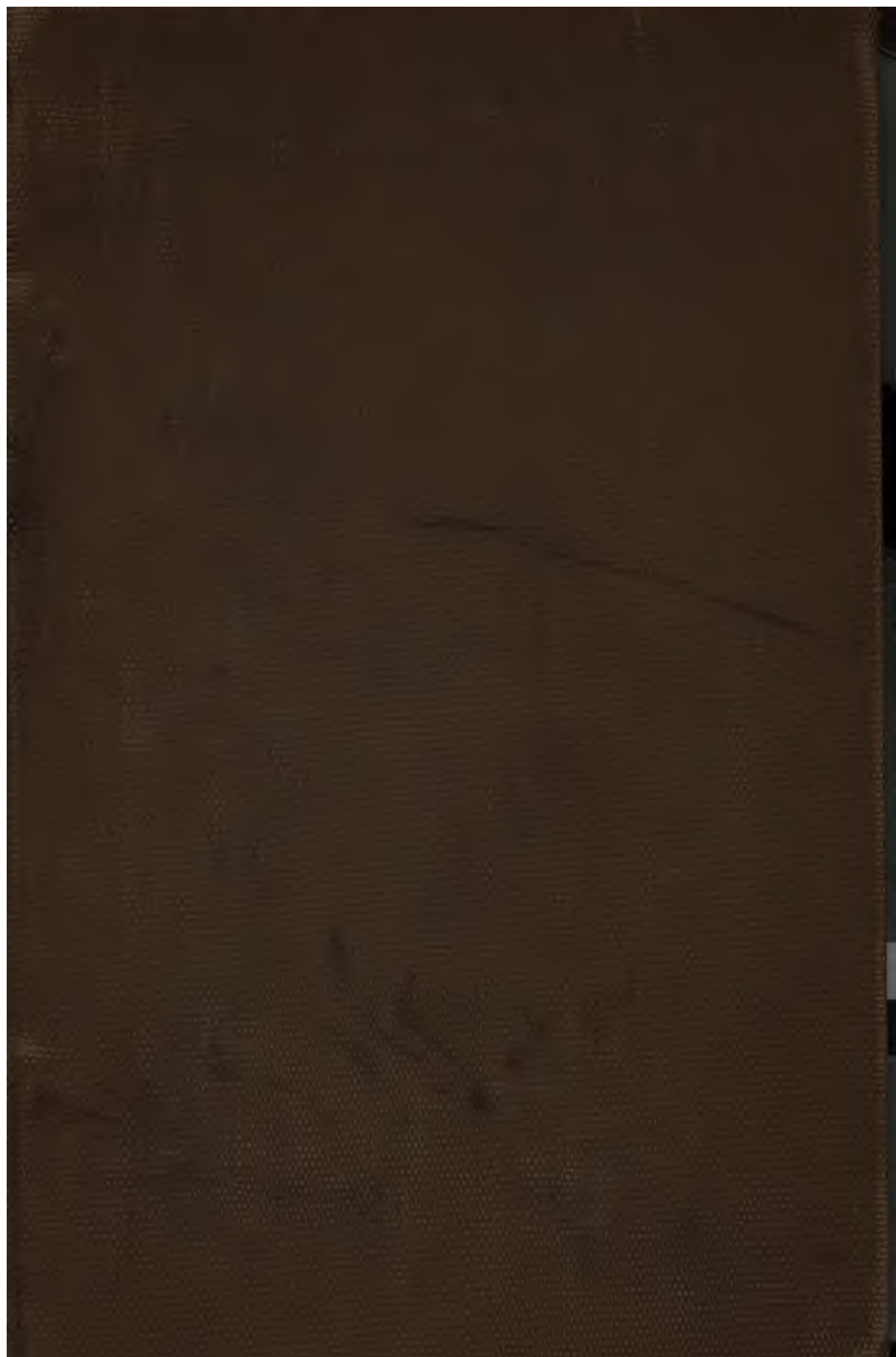
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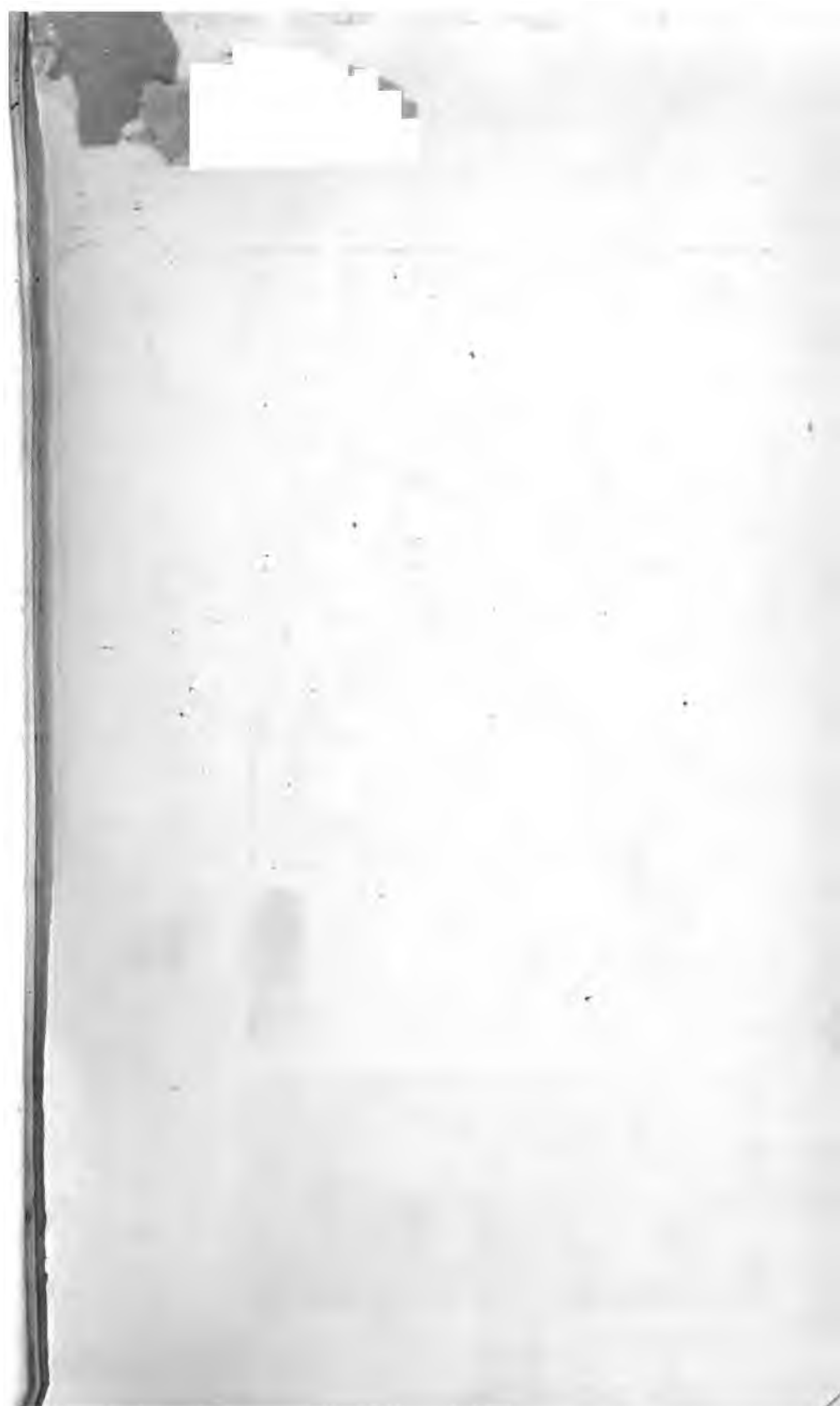
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The First Stages of the Tariff Policy
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First Stages of the Tariff Policy
of the United States.

BY

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The First Stages of the Tariff Policy of the United States.

I.

COLONIAL TARIFFS.

In all the discussions to which the tariff question has given rise since 1789, little attention has been paid to colonial legislation on the same subject. Two facts may explain this omission: in the first place, there are no complete records to show what the early legislation really was, and the contemporary historians make little mention of the duties collected; and, secondly, the duties of the several colonies were almost exclusively for revenue, were much alike, were raised and lowered as the needs of the colonial treasury required, and seem to have been little different from other tax acts.

At any rate, the field is almost unexplored; and the facts here to be presented are such as have been gathered directly from the colonial laws and records. Unfortunately, as the collections of laws for some of the colonies are incomplete, this work can only be fragmentary. For Virginia, Massachusetts, and South Carolina, the colonial laws have been reasonably well kept, and the tariff history may be traced with some accuracy. The other colonies have poorer collections; and many acts are given only by title, so that it is much more difficult to follow the tariff leg-

islation.¹ But there is enough material to show that almost every colony levied imposts, a few of which developed into what may fairly be called tariff systems.

In several of the colonies the tariff acts were among the earliest attempts at financial legislation. Indeed, it is possible to go back even further, and find provisions for imposts, customs, or duties in the charters establishing governments in America. The charters of most colonies were quite similar, and permitted much freedom. That of Virginia may be taken as a

¹Hening's "Statutes of Virginia," Cooper's "Statutes of South Carolina," the "Records of Massachusetts," together with the "Acts and Resolves," give practically all the legislation for those three colonies. The "Laws of New York," 1691 to 1773, "Laws of Pennsylvania," 1700 to 1802, Bacon's "Laws of Maryland," 1637 to 1765, "Acts of the General Assembly of New Jersey," 1702 to 1776, "Laws of the State of Delaware," 1700 to 1797, "Laws of the State of North Carolina," 1715 to 1790, enable one to trace the legislation of those colonies, though many of the earlier acts are given only by title. The text of many of the laws omitted in the compiled statutes may be found in early editions of the colonial laws, but these are far from complete.

For the other colonies the laws have not been gathered into any work covering the entire period. When the statutes were printed, all but those in actual force were usually omitted, and the older ones which were inserted often had no date, so that it is impossible to form a complete outline of the legislation in Rhode Island, Connecticut, or New Hampshire.

The "Journals of the New York Assembly" and the "Journals of the Votes and Proceedings of Pennsylvania" give some laws, not all, some discussion, and a few petitions; and for the later colonial period they give the treasurer's reports. The "Massachusetts Archives," 122 to 125, contain the treasurer's reports from 1692 to 1769, but there are numerous breaks. The New York treasurer's and collector's books are preserved, but I have not yet been able to examine them. How many of the financial records of the other colonies are preserved I do not know. None of them have yet been printed.

type of all.¹ It laid a duty of 2½ per cent. on all goods imported by British subjects and 5 per cent. on all imported by foreigners. Food, clothing, arms, implements, and other necessities might be sent from Britain to Virginia free for seven years. The proceeds from the duties were to be applied to the support of the colony for twenty-one years, and were then to revert to the king. The colony was given the privilege of imposing other duties if it thought best to do so. After the navigation acts were passed, all the charters specially stipulated that the colonists must obey the acts and pay the ordinary duties due from English subjects. In the charters of Carolina,² Pennsylvania,³ and the other proprietary provinces, the proprietors were given authority to collect imposts and subsidies for their own use; but they were to be "reasonably assessed by and with the consent of the free colonists."

Of the duties imposed by charter or by acts of Parliament this paper will not treat. They have been described by many historians, who agree that as revenue measures they were failures.⁴

¹ Hening's "Statutes of Virginia," I, 63.

² Cooper's "Statutes of South Carolina," I, 27.

³ "Votes of Pennsylvania," I, 22.

⁴ Many pamphlet writers and most historians refer to the smuggling and evasion of duties. Greenville, in a tract printed in 1765, "The Regulations lately made with respect to the Colonists Considered," says (p. 57), "The North American colonies do not contribute to the national expenses by taxes raised there more than £700 or £800 per annum." "The average for all the colonies for thirty years is not above £1,900, while it costs £7,600 per annum to collect them." Also see Bancroft, II, 83 and 243. Lecky, "History of England in the Eighteenth Century," III, 308. (Edition of 1882 in both cases.)

The discussion here will be confined to the imposts which were assessed by and with the consent of the free colonists. The principles of taxation which governed them are, perhaps, of more interest to us than are those which determined the action of British Parliaments, and have certainly been much less discussed. Unfortunately, the "principles of taxation" which influenced the colonial legislators can be learned only from the laws which they passed. No reports of their debates, no contemporaneous newspaper discussion or leading articles, throw light upon the text. To know what was done is much: knowing "what," we can frequently infer "why." In a few instances our conjectures are aided by preambles to acts, or by petitions asking for protection or for freedom from duties. But there is so little side light to be obtained that at present only a plain statement of the facts will be attempted, leaving the determination of principles to future work and a more mature study of the systems of taxation and the general financial condition of the colonies.

The bounties given and monopolies granted to aid or stimulate various industries in the colonies have a close and important bearing on the protective features of the colonial tariffs, and are of more interest to the protectionist than are the revenue tariffs which will be here discussed; but they, too, must wait their time for full treatment.

The temporary or experimental measures and the few instances of protective and retaliatory legislation which are to be found can hardly be woven into any connected narrative, but are of sufficient interest to deserve notice. For this reason I shall sketch briefly

the more important acts of this class before beginning with the regular tariffs.

The first tariff of Massachusetts deserves a place at the head of the list, both because of its priority in time and its purpose, which was "to prevent the immoderate expense of provisions brought from beyond the sea." This was to be done by a tax, but not according to the modern theory of cheapening goods by tariff taxation. The plan was to discourage importation, and to keep down expenses by diminishing consumption. To do this, it was ordered "that whosoever shall buy or receive out of any ship any fruit, spice, sugar, wine, strong water, or tobacco, shall pay to the treasurer one-sixth part of the price or value thereof; and every person who shall buy or receive any of the said commodities with intent to retail the same to others shall pay the treasurer one-third part of the value or price thereof."¹ These duties were partly repealed the next year, and entirely abolished in 1638.

Almost thirty years later Virginia passed a similar act for similar reasons, though health and morality, as well as expense, were regarded by the Virginia legislators. Their purpose in passing the act is well expressed by the preamble, which reads: "Whereas, the excessive use of rum hath by experience been found to bring disease and death to divers people, and the purchasing thereof is made by the exportation and unfurnishing the country of its own staple commodities," therefore, "it is enacted that whatever vessel, after March 1, 1663, except such as belong wholly to inhabitants of Virginia, brings in any rum or sugar, shall not unload the same except at ports

¹"Records of Massachusetts," I, 186.

appointed, shall enter the quantity, and pay for every gallon of rum 6*d.* custom, and for every pound of sugar 1*d.*, before any part of it may be sold."¹ This act suffered the same fate as the first liquor duty of Massachusetts. It was in force only two years when it was repealed, "because the duties were difficult to collect and obstructed the trade of the country." It was twenty years before a regular system of liquor duties was adopted in Virginia, so that it is not probable that this early act had any influence in fixing the rates of the later one.

Turning to the protective acts of the colonies, we find that they are not numerous, but that such as were passed show there was no hesitation in granting protection to any industry or in any way which promised to prove beneficial. There were almost no manufactures to protect, and therefore the duties laid on manufactured goods were for revenue only; but each colony encouraged its own agriculture, sometimes by prohibiting the importation of commodities from other colonies and sometimes by duties.

As early as 1652,² "to uphold her own staple commodities," Massachusetts prohibited the importation of malt, wheat, barley, biscuit, beef, meal, and flour. Virginia prohibited the importation of tobacco, especially from North Carolina, on the ground that it was of inferior quality.³ Several colonies would not allow the importation of horses or cattle, sometimes because they were thought to be of inferior size or breed, but oftener because the home supply was too great.⁴

¹Hening, II, 128.

²"Colonial Laws of Massachusetts," 1672, 175.

³Hening, II, 445.

⁴Bacon's "Laws of Maryland," 1761, Act IX. Hening, III, 27. Cooper's "Statutes of South Carolina," II, 164.

Maryland maintained discriminating duties against provisions and liquors from Pennsylvania. The regular liquor impost was 3*d.* per gallon, while Pennsylvania liquors were compelled to pay 9*d.*¹ Pennsylvania did not allow the importation of tobacco from Maryland, because this discouraged her own planters.²

The clearest case of retaliatory duties is found in an act of Massachusetts passed in 1649.³ It was occasioned by a duty which Saybrook had imposed on goods coming from Springfield in order to maintain a fort at the mouth of the Connecticut River. Boston thought this unjust, and tried to get the duty repealed. Failing in this, an impost was levied on all goods from Connecticut, New Haven, and Plymouth. This had the desired effect, and the next year the obnoxious duties were removed.

Virginia also established retaliatory duties, but apologized for imposing them. The act states "that Virginia vessels are compelled to enter and pay fees before trading in Maryland ports. This is unneighborly, but Maryland vessels must do the same here until her laws are repealed."⁴

If Massachusetts could not loyally support the navigation acts, she could show a willingness to discourage their violation, and at the same time to gain a revenue for herself by imposing double duties, both specific and ad valorem, on all goods which were not imported directly from the place of their growth. By way of protection to her own commerce, she also imposed double rates on all commodities brought in

¹"Maryland Laws" of 1715, 88 and 108.

²"Duke of York's Laws," 243.

³"Records of Massachusetts," 182 and 269.

⁴Hening, II, 446.

by inhabitants of Rhode Island, Connecticut, and New Hampshire. Still stronger encouragement was given to Massachusetts shipping by an impost of 5s. per hogshead on all molasses and 60s. per hogshead on all rum imported by foreigners. These rates were laid "because foreigners have been bringing in great quantities of rum and molasses, which takes away trade that our merchants carried with great profit, though they paid high charges for permission." The discriminating duties were on the statute books of Massachusetts from 1730 to 1743. The double duties on goods not imported from the place of their growth were first imposed in 1715, and were continued till 1774.¹

In the New York tariff of 1695 and in some later acts, the same provision was made for double duties on goods which had been reshipped.²

During the early colonial period there were export duties on furs, provisions, lumber, staves, shingles, tar, and fish; but these were mostly temporary and for revenue purposes. Connecticut, however, seems to have developed her export tax upon lumber into a system of high duties, designed to prohibit exportation, that in after years she might not be destitute of building materials.³

Protection of another kind was sought by at least three of the colonies about 1730. Criminals and paupers seem to have been as undesirable then as now. The measures taken to keep them out afford an instance of the influence which legislation in one

¹The act of 1715 may be found in "Massachusetts Acts and Resolves," II, 10, that of 1730 in II, 559.

²"Acts of the Assembly of New York," 1691-1718, 204.

³"Acts and Laws of Connecticut," 1784, 245.

colony had in shaping that of another. Pennsylvania led the way as early as 1722 with a duty on imported servants. In 1729 the preamble of an act for preventing the importation of convicts and paupers gives the following reasons for its existence: "Whereas many persons trading into this province have, for lucre or private gain, imported, sold, or disposed of, and daily do import passengers and servants into this province who by reason of age, impotence, or idleness, have become a heavy burden and charge upon the inhabitants thereof; and likewise do frequently import divers persons convicted of heinous crimes, who, after their coming into this province, do often commit many felonies, robberies, thefts, and burglaries, to the great hurt of his Majesty's good subjects trading to and inhabiting the same." A duty of £5 is then laid on each convict or pauper imported, and the importer is required to give bond to insure the servant's good behavior for one year.¹ In 1730 New Jersey passed a similar law with exactly the same preamble, and in 1739 Delaware did the same. These laws roused opposition in England, and were finally disallowed, but not till after the three years in which they could be legally set aside had passed. The Pennsylvania authorities refused to acknowledge the right of the king to annul a law which had stood more than three years. The controversy and correspondence on this question continued till about 1750, and seems to have ended by allowing the colonists

¹The Pennsylvania acts are found in "Laws of Pennsylvania," printed in 1742, 359, 392, 532.

²"Acts of Assembly of New Jersey," 84. "Delaware Laws," 166.

their own way; for the law was again enacted in 1751.¹

Space forbids further mention of the disconnected and less important acts of this kind; and we pass, therefore, to the consideration of the imposts, customs, subsidies, or duties which may properly be called tariffs. These may be classified under four heads: I. Tonnage duties, or taxes on shipping; II. Export taxes on tobacco; III. Import duties on slaves; IV. The regular tariff schedules, in which wines and liquors were the most important items.

I. The tonnage duties were more general than any other kind of colonial imposts. In Rhode Island they seem to have been the only duties; and there were not more than three colonies—Georgia, New Jersey, and Delaware—which did not lay a tax on shipping. The powder duties, as the impost on shipping was first called, are also the earliest of any duties imposed by a colonial assembly; and they were continued by most of the colonies until the Constitution transferred to Congress the power of levying imposts. 1631² is the date of the first powder duty and Virginia the colony which imposed it. The text of the act is not complete in Hening's collection, the amount of powder to be paid being left blank. But the act of 1632 provided that every ship should pay one hundred pounds of powder and ten iron shot for every one hundred tons burden.³ These are about the average rates imposed in all the colonies. In some the rate was only one-half pound of powder, while in others it was two or three pounds per ton. After money

¹"Pennsylvania Colonial Records," V, 66, 499, 550.

²Hening, I, 176.

³Hening, I, 192.

became more plentiful, the powder duties were commuted into cash payments ranging from sixpence to one or two shillings per ton, according to the amount of depreciation in the provincial currency.

The earliest dates at which powder duties are to be found for the several colonies are, Massachusetts,¹ 1645; Maryland,² 1661; Pennsylvania,³ 1683; South Carolina,⁴ 1686; New York,⁵ 1709. For the other colonies the records at hand do not enable me to determine when the first duties were laid.

The tonnage dues of Virginia and Maryland were made perpetual, and, with the export tax on tobacco, furnished a permanent source of revenue, rendering the governor independent of the assembly and the people. In 1692 the Maryland assembly revoked the tonnage tax which had been granted to Lord Baltimore, and gave as their reason for so doing the failure of the proprietor to keep the colony in a state of defence, as he had agreed to do.⁶

The king, however, decided that the grant was irrevocable, and that Lord Baltimore should continue to collect his 14*d.* per ton, which in 1754 amounted to \$5,000.⁷

The preamble to the act laying the first powder duty in South Carolina is worth inserting, because it shows clearly what the powder was wanted for, and that the need of it was urgent. It reads:—

“Whereas the subjects of the King of Spain have, several times lately, in the most barbarous, inhuman, and hostile manner, inva-

¹“Massachusetts Records,” II, 107.

²Bacon’s “Laws of Maryland,” 1661, Act VIII.

³“Votes of Pennsylvania,” I, 165.

⁴“Statutes of South Carolina,” II, 20.

⁵“Acts of Assembly of New York,” 1691-1718, 87.

⁶“Maryland Archives,” VIII, 361; Bacon’s “Laws of Maryland,” 1692, Act XVII.

⁷Bancroft, II, 396 (Edition of 1882.)

ded his Majesty's subjects, inhabitants of that part of this province southwest of Cape Fear, burning our houses, killing our stock, and destroying our provisions, murdering and making prisoners several of his Majesty's good subjects, there peaceably settled under this government; and whereas it is thought absolutely necessary, in order for the future safety and defence of his Majesty's subjects and of all ships and vessels trading to and from this province, that there be a public store of powder always in readiness, therefore, from the date of the publication of this act, every ship-master coming into any part of this government shall make a true entry of the burden and tonnage of his ship, and pay for every ton one-half pound of good, clear, and serviceable powder."¹

South Carolina continued or reimposed this duty from time to time, and did not cease to collect it even without a law, as is shown by one or two indemnity acts clearing the powder receiver for collecting the tax after the law authorizing him to do so had expired.² None of the other colonies gave their reasons for imposing powder duties quite so clearly as did South Carolina, but several of them stated that the powder was wanted for harbor defence or kindred purposes. In some of the colonies, notably Massachusetts and New York, the tonnage tax was incorporated in the general duty acts, and affords no special points of interest.

All the tonnage duties were clearly for revenue, but they were so framed that the colonial shipping interest secured a good degree of protection. In fact, there was no colony which did not exempt at least its own shipping from tonnage dues. The northern colonies all had reciprocity arrangements, by virtue of which the vessels of each entered the ports of the others free. The law of Massachusetts every year stated that English ships, and those of Pennsylvania, the Jerseys, New York, Connecticut, and Rhode

¹"Statutes of South Carolina," II, 20.

²*Ibid.*, III, 590.

Island, should pay no duties. Some of the other colonies made the exception in the same way, and others gave less extended privileges. English ships were subject to the tax at first, but the merchants complained so much that the colonists were commanded to make no distinction between British ships and their own.¹ Most of the colonies obeyed, but not willingly. They felt that the British merchants should pay a part of the expense incurred in defending and lighting the harbors, especially since they had a monopoly of the colonial trade. As it was, almost all ships which had a legal right to trade with the northern colonies were freed from the tonnage duties; and, if the navigation acts had been enforced, little revenue could have been received from this source. For Massachusetts, we have the figures to show how insignificant the tonnage tax became. From 1690 to 1719 the amount collected was quite regular, ranging from £200 to £300 per year, sometimes higher, sometimes lower, but with no great variations.² When the tax on British shipping and the duties on British goods had to be abandoned by command of the king in council, the revenue at once decreased more than one-half. The tonnage receipts even showed a decline from £622 in 1718 to £69 in 1719. So great a difference throws discredit upon the returns; but, comparing 1717 with 1722, we find a decline from £405 to £195, and till 1730 the tonnage duties only twice yielded more than £100 per year, nor were they ever of much importance after 1719. During the period of great depreciation and fluctuation of paper currency the duties were collected in powder. The greatest amount reported was 6,409

¹"Massachusetts Acts and Resolves," II, 158.

²"Massachusetts Archives," 122 to 125.

pounds of powder for 1737, while in many years less than 1,000 pounds was collected. Much irregularity is noticeable, and all evidence indicates that the tonnage tax had become an insignificant source of revenue in Massachusetts.

The returns for New York are less complete. Most of the annual reports do not distinguish between the duties from tonnage and those from other sources. There are a few figures, however, which throw some light on the subject. One report states that from 1714 to 1727 the tax on shipping amounted to £3,586, and from 1734 to 1753 it yielded £14,478,¹—sums much greater than were collected in Massachusetts. During the French and Indian war the revenue from tonnage duties increased, reaching the highest point—£2,040—in 1760.² This was either the year of greatest imports or the customs were collected more thoroughly; for they yielded £10,346,³—a sum not reached again, although during the whole course of the war the sums collected were greater than they had been before, and with its close a rapid decline occurred until less than £4,000 was collected in 1771 or 1772. The two separate returns of tonnage duties which are to be found for years after 1765 show a much greater decline than do the customs. The sum given for 1768 was £150, and for 1769 only £138.³ If these returns are correct, they indicate that the New York tax on shipping became as unimportant before the Revolution as that of Massachusetts. But such meagre returns are hardly sufficient to afford a basis for any inference.

¹ "New York Journal," II, 424.

² *Ibid.*, II, 643.

³ *Ibid.*, III, 21 and 28.

For the other colonies, few and scattered returns of the revenue collected are available. The estimates of the number and tonnage of ships engaged in colonial commerce are by no means ample enough to enable us to calculate the probable receipts. The evidence obtainable indicates that the tonnage duties were more important in the earlier than in the later part of the colonial period, at least in the northern colonies. It also seems probable that the revenue collected from shipping in the southern colonies was greater than in the northern, because the former had few ships and the exemptions were not carried so far as in those colonies which had important shipping interests. The fact that the duties granted in Maryland and Virginia were permanent, and with the duties on tobacco furnished the greater part of the revenue, also lends color to this view.

II. In the export duty on tobacco, however, these two colonies had a much more important source of revenue than in the shipping tax. It was natural, of course, to raise a revenue from their most important commodity; and Maryland turned to this source almost from the beginning of her existence. A 5 per cent. duty was proposed in 1638,¹ but there is no record of its passage till 1639.² Ten years later the proprietor was granted a tax of 10s. per hundred weight on all tobacco shipped in Dutch vessels for any place except British ports.³ This was to continue for seven years, but it must have been re-enacted; for there is an account of its repeal in 1676.⁴ A little

¹"Maryland Archives," I, 80.

²Bacon's "Laws of Maryland," 1639, Act XXXVI.

³*Ibid.*, 1649, Act IX.

⁴*Ibid.*, 1676, Act II.

before this time a duty of 2s. per hogshead had been laid on all tobacco exported,—1s. for the proprietor's private use, and 1s. for the support of the colony.¹ The proprietor's shilling was made perpetual in 1704, and, according to Bancroft, yielded \$7,000 in 1754.² Almost every new governor was granted a duty, usually about 1s. per hogshead, as his salary; and numerous additional duties were laid for supporting free schools, for building a state-house, for purchasing arms or ammunition, or for other colonial needs. There was a limit, however, beyond which the tobacco duties in Maryland could not well rise. The Virginia duty was never much above 2s.; and, if more than this was required in Maryland, new settlers would be likely to go to Virginia. The alarm of the Assembly at too high a rate is shown by an act of 1717, which stated that the sum of the several duties was 3s. 9d., that this was too high, and therefore repealed one duty of 3d.³

The duties in Virginia were not begun so early as in Maryland, nor did they rise so high. Indeed, after the tax had once been laid, there was some hesitation about retaining it and some vacillation about the course to be pursued. The tobacco duty was made necessary by the want of revenue and the difficulty of collecting a poll-tax, as is shown by the act imposing it, which states that "the present method of raising a revenue by poll is unequal and oppressive, and it will be easier and better to collect a duty: therefore, 2s. per hogshead shall be paid on all tobacco exported."⁴ In the same year, 1658, a tax of 10s. was

¹Bacon's "Laws of Maryland," 1671, Act IX.

²Bancroft, II, 396 (edition of 1882).

³"Complete Collection of the Laws of Maryland," 1727, 188.

⁴Hening, I, 491.

laid on all tobacco "raised by selling Dutch goods,"¹ The ship-masters refused to pay the taxes; and seven of them were summoned before the assembly for trial, among them one Dutchman.² The result of the trial is not stated, but the duty was repealed in 1659. The next year, however, the legislators had again concluded that tobacco must yield a revenue; for they say "that all nations find it prudent to collect revenue by duties rather than by taxes, that other nations gain by an imposition on Virginia's commodity (tobacco), that hitherto Virginia has gained nothing from this source, and a duty of 10s. per hogshead shall be imposed on all tobacco exported which is not taken directly to England."³ Just how long the 10s. duty was continued is not shown by the statutes. If the navigation laws had been obeyed, it could not have yielded much revenue; but Virginia disregarded the trade restrictions, and for the 10s. revenue encouraged the Dutch commerce, as is shown by a law of 1660, which states that "the restriction of trade hath been disadvantageous and lowered the value of our only commodity,—tobacco." Therefore, "the Dutch, or any other European nation, shall trade with us freely, and have the same rights and privileges as English have, if they give bonds and pay the 10s. duty on tobacco; but, if they import negroes, the duty on tobacco obtained for negroes shall be only 2s. per hogshead."⁴ Not only the Dutch, but all

¹Hening, I, 469.

²Although the act said Dutch goods, other foreigners had to pay the duty, as is shown by the explanation of the act, which is in the following words: "And this act is further explained, that for the custom of ten shillings per hogshead be as well understood of all foreigners as of the Dutch nation."

³Hening, I, 535.

⁴Hening, II, 450; also see a note on p. 513.

foreigners, even the other colonists, were compelled to pay the 10s. duty; and in 1665 complaint was made that it had driven the New England trade to Maryland. To recall the New England traders, they were allowed to carry out tobacco at the lower rate of 2s.¹ This is the last mention of the 10s. duty in the Virginia laws. With the decline of Dutch trade, it probably became too unimportant to merit a repeal, and so became obsolete.

The 2s. duty which was repealed in 1659 was reimposed in 1662,² and until Virginia ceased to be a colony was one of her most important sources of revenue, being maintained at the same rate most of the time, though some additions were made for temporary purposes. A few scattered estimates of the sums yielded by the export tax on tobacco are to be found, enough to show that they were important and increasing in amount. In Maryland the 2s. tax for 1690 is reported to have yielded £2,221.³

Governor Berkley in 1671 reported the Virginia tobacco tax at £1,500.⁴ In 1731 Dr. Oldmixon puts it at £3,200.⁵ By 1750 it had reached about £5,000.⁶ It probably did not rise much above this amount; for the highest estimate of the tobacco exported from both provinces before the Revolution is 100,000 hogsheads, which would yield the colonies a revenue of £10,000. Virginia probably got more than half of this, though several estimates place Maryland's production of tobacco almost as high as Virginia's.

¹Hening, II, 218.

²*Ibid.*, II, 130.

³"Maryland Archives," VIII, 105.

⁴"Chalmer's Annals," I, 328.

⁵"British Empire in America," I, 438.

⁶"Dinwiddie Papers," I, 386.

Important as tobacco was to the colonists as a source of revenue, the amounts collected from it by them were nothing compared with what England drew from the same source. The duties collected from it there were £200,000 or £300,000 per year, and were much complained of by the planters. Dr. Oldmixon, in his "History of the British Empire in America," says of the English tax on tobacco: "In 1685 a severe duty was laid on tobacco, which caused many thousand hogsheads to be sold for 12*d.* each rather than pay the customs and charges. This imposition is the original cause of all the straits and hindrances in trade and circumstances which the Virginians groaned under about fifty years. 'Tis amazing to consider that a commodity worth where it grows one-half penny a pound should have subsisted so long—about half a century—under the weight of an imposition more than ten times the value of the prime cost. This duty has raised above £20,000,000 since it was first imposed."¹

III. The tax on slaves imported was a considerable source of revenue to Virginia and Maryland, and still more to South Carolina; while in Massachusetts, New York and Pennsylvania it was of less importance, both because they imported fewer slaves and because the duties were not very high. In fact, it seems probable that in Massachusetts, at least, the tax was laid to discourage importation rather than to raise revenue; for it was never incorporated in the general tariffs which were imposed from year to year, but was enacted for periods of five or ten years,—this never being done by Massachusetts with her revenue measures, after 1700. The rate was fixed at

¹"British Empire in America," I, 349.

£4 by the first act, passed in 1705, and it was not changed subsequently.¹ The duty is last mentioned in 1738,² when it was continued for ten years. At the expiration of this period the importation may have been so small that it was thought useless to re-enact the duty.

In New York and Pennsylvania more slaves were imported, and the earlier duties were for revenue in both colonies. In the former, the tax of five ounces of silver per negro, first imposed in 1709, continued without change until the Revolution.³ In the latter, changes and new duties were numerous during the first half of the eighteenth century. In 1751 the rates were much increased, and several merchants petitioned against the duty of £10 taking effect at once, because they had ordered many slaves from the West Indies before it was passed. The petitioners further stated that laborers were scarce and commodities high, and that their motive for engaging in the slave-trade was to encourage the industry and trade of the province.⁴ The prayers seem to have been unheeded, and the law was not suspended, whether from the Quaker dislike of slavery or from the desire for revenue we cannot now determine.

Either the high duties or the changed conditions of the colony, or the growing antagonism to slavery; led to a steady decline in the number of slaves imported, as is shown by the amount of duty collected, which was £1,855 in 1762, £1,500 in 1763, and gradually decreasing until it was only £100 ten years later.⁵

¹"Massachusetts Acts and Resolves," I, 578.

²*Ibid.*, II, 981.

³"Acts of Assembly of New York," 1718, 97.

⁴"Pennsylvania Colonial Records," VIII, 576.

⁵"Pennsylvania Votes," VI, 411.

Maryland and Virginia both imposed duties on slaves a little before 1700. Beginning with a ten shilling tax in Maryland, the duties increased gradually as new requirements called for additional revenue, and had risen to £4 or £5 by 1771. In that year an addition of £5 was made, possibly to discourage importation; for negroes were no longer scarce.¹

Virginia laid a duty of £1 each on all negroes imported during the first quarter of the eighteenth century, but this was abolished by the king in 1723. The next tax was an ad valorem duty of 5 per cent. to be paid by the purchaser. This rate continued from 1732 to 1740, when it was doubled; and during the next thirty-eight years the amounts collected ranged from 10 per cent. to 30 per cent., being most of the time at 20 per cent. After 1759 slaves imported from other colonies paid additional duties 20 per cent. till 1772, then £5 per head. In 1778 Virginia prohibited the importation of slaves under a penalty of £1,000 on the importer, £500 on the purchaser, and the slave to go free.²

It is in South Carolina, however, that we find the greatest amount of revenue collected from slaves imported, both because greater numbers were brought in and because the duties were higher. The rates were fixed at 10s. in 1703, were soon raised to £10, and continued at that point save for a slight interruption about 1740, when the alarm caused by a negro insurrection and the fear that negroes were becoming too numerous caused a prohibitory duty

¹Bacon's "Laws of Maryland," 1695, XXIV. "Laws of Maryland, made since 1763," 1771, Act VII.

²Hening, III, 193, 229; IV, 317; V, 92; VII, 338; VIII, 530; IX, 471.

of £50 to be imposed for a few years ; but the rate was soon lowered to the old point.¹ The slave duties of South Carolina yielded two-thirds of the customs revenue collected in 1731, the figures being £8,500 from negroes and £4,000 from all other sources.² For other years we have no 'returns, nor are the statistics showing the number of slaves imported, or the duties collected in any of the colonies except Pennsylvania, available.

Besides the revenue tariffs above described, most of the colonies imposed discriminating duties, generally double the regular rates, on negroes from other colonies. South Carolina required much more than double duties on negroes not coming direct from Africa. Two reasons were assigned for this. One was that slaves from other colonies were likely to be vicious and insubordinate fellows who had been transported for some crime, and would not only prove unruly themselves, but also corrupt the other slaves near them.³ The other reason is clearly expressed by the preamble of a South Carolina act passed in 1722 which says, "Whereas the importation of Spanish indians, mustees, negroes, and mulattoes, may be of dangerous consequence by enticing the slaves belonging to this province to desert with them to the Spanish settlements near us, . . . all Spanish slaves imported shall pay a duty of £150."⁴

IV. There yet remains for discussion the impost on wines, liquors, and other articles which were subject to indirect taxation. Each colony managed

¹ "Statutes of South Carolina," II, 200; III, 56, 562.

² *Ibid.*, III, 340.

³ *Ibid.*, III, 161.

⁴ *Ibid.*, II, 196.

its tariff schedule in its own way, so that it is possible to make but few statements here which apply to all; and, therefore, a brief account of the legislation in the more important colonies will be given.

In South Carolina the number of articles subject to duty was greatest, and an important part of the revenue was raised by imposts. Before 1700 a few acts were passed laying duties both on imports and exports; but with 1703 began the tariff system, which was continued as long as South Carolina remained a colony. The act of that year is entitled "An act for the levying an imposition on furs, skins, liquors, and other goods and merchandise imported into and exported out of this province, for the raising of a fund of money towards defraying the public charges and expenses of this province, and paying the debts due for the expedition against St. Augustine."¹

The first act was to be in force two years, but its subsequent continuations and re-enactments were generally for periods of three, five, or ten years.² The rates were raised and other articles were added to the list until, in 1721, more than fifty articles were taxed, and wine paid from £6 to £15 per pipe. After 1722 a few of the duties were reduced, and some articles were omitted from the list, so that in 1740 only about thirty imported commodities were

¹ About thirty articles are taxed, of which the most important are wine at £3 to £5 per pipe, flour and biscuits at 2s. 6d. per hundred weight; sugar, 1s.; cocoa, 2s. 6d.; tobacco, 12s. 6d. per hundred weight; fish, 3 to 6s. per barrel; dye-woods, 5 to 10s. per ton. All other imports, 3 per cent. All furs exported were also subject to duty. "Statutes of South Carolina," II, 200.

² The more important acts are found in "Statutes of South Carolina," II, 200 (1703), 649 (1716); III, 27 (1717), 56 (1719), 193, (1722), 556 (1740), 739, (1751); IV, 150, (1761) 265, (1767).

subject to customs taxation. The *ad valorem* duties, which were first fixed at 3 per cent., were raised to 5 per cent. in 1716, then lowered to 1 per cent. in 1722, and were abolished in 1740. The wine duties, which, with the exception of those on slaves, were the most important, averaged on Madeira £6 and on Fial [Fayal] £10 per pipe, and were not often changed. Besides the regular tariff, which was maintained without much change, South Carolina imposed several temporary duties, usually on sugar, molasses, or rum, to raise revenue for some special object.

Massachusetts laid duties on fewer articles and laid them at lower rates than South Carolina, but she was more systematic in her tariff legislation. Beginning with 1645,¹ she maintained an impost on wines and liquors at rates ranging from £1 to £2 per pipe. For several years this duty was farmed, first at £120, afterwards at £165 per year.² Before 1692, however, a more modern plan was adopted. Other articles had been added to the tariff schedule, and a public collector was appointed. From this time on Massachusetts raised all her revenue by annual grants. She had either learned by experience the power this would give her over the royal officers, or she copied after the English Parliament, which, with the accession of William and Mary, ceased to give the king subsidies for life.

Although Massachusetts re-enacted her tariff law every year from 1692 to 1774, yet she adhered closely to a low revenue rate. It is true that some advances in the nominal rates were made as the currency depreciated; but when coin payment was resumed in

¹ "Records of Massachusetts," II, 130.

² *Ibid.*, 260, 289.

1737, the duties were at once lowered to one-third of the former scale. Tobacco duties may have been levied to restrict importation, for they were steadily increased and at times were very high. The wine duties were fixed in 1692 at rates ranging from £1 to £2 10s. per pipe, according to quality or place of growth. £3 per pipe was the highest rate ever imposed, and between 1765 and 1774 only 5s. was paid. Until 1735 the average rate was rather more than £1, and from that date to 1774 it averaged less than 10s. per pipe. The duties on a hogshead of rum were about the same as those on a pipe of wine, which means that rum paid twice as much per gallon as did wine. Sugar was taxed 1s. per hogshead in 1692. This was raised to 2s. in 1695, at which point it remained until 1737, when coin payment was required, and the duty was again fixed at 1s. From this rate there was a steady decline until only 4d. per hogshead was collected in 1751, and at that rate the duty continued. Molasses paid about half as much per hogshead as sugar, and changes were made in the rates at the same periods. Logwood and other dyewoods paid 3s. per ton till 1737, then the duty was gradually reduced and finally abolished. Tea was first taxed in 1756 at 1s. per pound; but this was reduced to 4d. in 1762, and then dropped.

Besides the specific duties on wine, rum, tobacco, sugar, molasses and dyewoods, ad valorem duties were imposed on all other imports at the rate of 1d. on twenty shillings' worth in 1692, increased to 2d. in 1731, to 4d. in 1739, and continued at that till 1774. English goods, however, were not subject to the duties after 1719. They had at first been taxed $\frac{1}{2}$ per cent., afterwards raised to 1 per cent.; but the

British merchants would not submit to even this low tax, and the colonists were compelled to remove all taxes on goods from England or on English ships.¹

In New York the tariff legislation was quite similar to that in Massachusetts. There had, indeed, been heavy duties during the Dutch rule, but these were not imposed by colonists on themselves, and will not be treated here; nor will the rather high, arbitrary duties, which were imposed by Andros at the command of the Duke of York, receive attention. These, however, probably had an influence in accustoming the colonists to tariff taxes, so that, when they were allowed an assembly and permitted to make their own laws for raising revenue, they collected most of it by duties on imports and exports. The first act of which we have the text was passed in 1691, and laid moderate specific duties on a great number of articles.² Several other duties were imposed during the next twenty years; but the act of 1715, which was continued without change till 1775, taxed only a few imports.³ To avoid the fluctuations which the paper currency was subject to, the duties were made payable in silver at the following rates: wine, 7½ ounces per pipe; rum 15 grains per gallon; cocoa, 1 ounce per hundred weight; all European goods imported from Boston, 12 ounces per £100 worth. From any other colonies 18 ounces per £100 worth. No reason was assigned for the favor shown

¹The tariff law of Massachusetts was either re-enacted or continued every year. The administrative provisions were much the same through the whole period, and by turning to any one act the whole system may be learned. I have, therefore, not referred by page to the Massachusetts acts.

²"Journals of New York Assembly," I, 8.

³"Acts of Assembly of New York," 1691-1718, 204.

Boston. Some years earlier the New York merchants had petitioned for tariffs discriminating against Boston.¹ Later acts made *ad valorem* rates 5 per cent. and showed Boston no favor. This is the only instance of an *ad valorem* duty of much importance allowed after 1720. After 1734 New York took the same precaution as Massachusetts to hold her rulers in check; and the duties which were strictly for revenue, were granted for only one year at a time.²

The duties of the other colonies were hardly important enough to justify us in calling them tariff systems. It is true that from 1684 Virginia had a tax on liquors imported, most of the time at 4*d.* per gallon, and it was constantly maintained as a general revenue measure "to lessen other taxes," as one or two of the laws imposing it stated.³ For more than fifty years the College of William and Mary was granted a tax of 1*d.* per gallon on all liquors imported, but these and the slave and tonnage duties were all that Virginia levied on imports.⁴

Connecticut, Pennsylvania, Maryland and North Carolina all taxed a few articles besides liquors; but the acts, in Maryland especially, were for temporary purposes or special objects rather than to raise a general revenue. Connecticut laws are not complete enough to show just what was done, but at times considerable tariffs were imposed. Pennsylvania, too, had rather high duties on liquors and lumber as early as 1688;⁵ and liquor duties were imposed from time to time till 1722, after which trade seems

¹"Journals of New York Assembly," I, 17.

²See "Laws of New York," 1691-1774, for the annual grants.

³Hening, III, 23.

⁴*Ibid.*, IV, 148; V, 310; VII, 133.

⁵"Votes of Pennsylvania," I, 47.

to have been free till 1756, for in that year the duties proposed met with strong opposition. The minutes of the council say that, "at the second reading of the proposed bill, all were of the opinion that trade should be the last thing taxed; that exemption from duties and freedom of the port had more than anything else contributed to the increase of trade, and they were afraid this measure would divert it."¹

Some duties were finally imposed, but at low rates, and do not seem to have yielded much revenue.

Rhode Island, New Jersey, Delaware and Georgia were without duties, except those on shipping, which have been already described.

Were the duties collected? And were the sums realized from them large enough to pay a really important part of the colonial expenses? These are questions which, for most of the colonies, can have no satisfactory answer. The fact that the colonists were constantly evading the navigation acts, and made no pretence of paying the duties imposed by England, must have had a demoralizing effect, and taught them to evade duties imposed by their own law-makers. The increasing care which was taken to prevent fraud is strong evidence that the laws were not cheerfully obeyed. The small amount of revenue collected from a commerce of important extent is another evidence that the laws were not well enforced. For the years immediately preceding the revolution the annual imports of New York were not less than £500,000.² The rate of duty was 5 per cent., but in no year were the duties much above £5,000, being only one-fifth of what they should

¹"Colonial Records of Pennsylvania," VIII, 30.

²"American Traveler," 74, 75.

have been.¹ The revenue collected in Massachusetts was even less, averaging about £2,000 a year;² but as there was no *ad valorem* duty on English goods, we cannot make an accurate estimate of the amount of revenue to expect from imports. One piece of direct evidence of fraud is, however, afforded by the following entry in the treasurer's book for 1769:³ "Received £133 6s. 8d. from an unknown hand, being so much he apprehended he ought to pay to the province for duties on rum and molasses he had run." How much had been "run" by persons with less tender consciences we have no means of knowing.

South Carolina collected much larger sums than her northern sisters, as is shown by a few appropriation acts, and by a statement showing that £97,000 was realized from duties in 1772.⁴ That, however, was above the average, because so many slaves were imported in that year. £97,000 is more than the annual direct tax of South Carolina yielded, but in ordinary years the direct tax was probably larger than the customs revenue. For Virginia and Maryland the indirect taxes seem to have been more important than the direct, while for the northern colonies direct taxes paid nearly all the expenses. In New York the duties were more important than in any other northern colony, but averaged only about one-sixth of the total revenue. In the last decade of the seventeenth century they had yielded a much larger proportion. Indeed, there are a few

¹ Governor Tyron's report in "Documentary History of New York," 1579; also treasurer's annual reports in "New York Journal," Vol. III.

² "Massachusetts Archives," Treasury, 122-125.

³ "Massachusetts Archives," Treasury, 125, 361.

⁴ Anderson, "Historical Account of British Colonies," 190. London, 1775.

statements to the effect that all, or nearly all, the colonial revenue was collected from commerce.¹ During the same period the duties of Massachusetts were also of much more importance than in later years. From 1690 to 1700, £3,000 to £5,000 per annum was collected,²—amounts which were never much exceeded; but the increase in trade, and the depreciated currency in which later duties were paid, must both be considered in determining the relative importance of the early duties. After 1719 the customs revenue of Massachusetts was not often above £2,000 sterling, and was frequently less,—amounts which are rather insignificant in comparison with the direct taxes, which range from £10,000 to £100,000 a year.

On the whole, it seems probable that the duties imposed in America before the Revolution were no more than imitations of the ordinary means which European countries used to obtain revenue; and there is no direct evidence that they influenced our later tariff legislation.

II.

TARIFF LEGISLATION, 1775-1789.

The period of revolution and confederation, which brought many changes in the social life of the American people, and made possible the development of political ideas along new lines, also caused important changes in the revenue measures of the several states. In nothing was the change more noteworthy and interesting than in tariff legislation.

¹"Journals of New York Assembly," I, 16.

²"Massachusetts Archives," 122.

With war and freedom from British control, came a short period during which no duties were collected. The imposts, which, for three-quarters of a century, the colonists had been collecting, were not exacted by the new states, although the need of revenue was greater than it had ever been during the colonial period. Three causes, however, made it impossible to draw the much needed revenue from commerce.

The most important cause, obviously, was the interruption of trade caused by war. All intercourse with England was forbidden by England's laws and by those of the several states. The presence of British vessels rendered trade with other countries hazardous. Thus, for some years, importations were very light and were confined to war articles, and necessities of life which could not wisely be made to yield a large revenue. This one fact, of itself, must have made any considerable revenue from trade an impossibility. Another important cause was the revulsion against the British restrictions which, since 1660, had been maintained for the purpose of securing to English merchants and manufacturers all the profits of colonial trade. Although the Navigation Acts had not been strictly enforced, and, indeed, had secured some privileges to the colonies as well as to the mother country, there can be no doubt that the feeling against them was strong. Add to this the dissatisfaction aroused by legislation prohibiting manufactures in the colonies, and reason will be found for the feeling that colonial trade and industry was unduly hampered.¹ Lastly, political freedom brought the desire for

¹"John Adams Works," VII, 269.

industrial and commercial freedom. Liberty was the watchword of the age. What Locke, Rousseau and Voltaire had done to awaken a desire for political liberty and equality, the Physiocrats and Adam Smith were doing for industrial and commercial freedom. Whether or no their teachings were widely known in America, the law-makers of the time immediately after the Revolution certainly followed them in leaving commerce as free as possible; and in some instances they stated explicitly their adherence to the doctrine of free trade and their respect for the advocates of that doctrine.

These reasons, then,—disturbed conditions of trade and government, hatred of restrictions to which they had been subjected, and ideas favoring freedom and liberty,—account for the absence of impost laws from 1776 to 1781.

In only one colony were the impost acts maintained during this period. Virginia did not materially change her policy; she continued to tax the tobacco exported and the liquors imported as she had done before the war began. But, like the other states, she increased the rates of taxation, and about 1785 added other articles to the list. The reason why the imposts were not abandoned in Virginia is probably to be found in the fact that her staple, tobacco, was in greater demand than the exports of other states, and her commerce was less interrupted by the British than that of New York, Massachusetts, or Carolina.

As has already been stated, the outbreak of hostilities brought with it the abandonment of all impost acts. Ever since 1692, Massachusetts had, each year, reimposed duties upon goods imported.

From 1774 to 1781 no mention of them is to be found. South Carolina had maintained her tariff system without change since 1703. But it was allowed to drop in 1776, and until 1783 no important duties were collected. Pennsylvania had not collected much revenue from imposts prior to the Revolution, and for a few years after the Declaration of Independence, no collector was appointed.¹

New York had re-enacted her impost law each year until 1775. After that date no duties were collected until 1784. In Maryland no tariff law is to be found between 1776 and 1780. The same is true of Connecticut. The other states had not imposed duties as colonies, and naturally, did not begin them at a time when they were being abandoned elsewhere.

Although there were no tariffs, trade with Great Britain was prohibited by each state, on pain of forfeiting the goods, and in some of the states under even severer penalties. Thus trade with the only people with whom an important commerce had been carried on was forbidden; with other countries, trade was rendered hazardous by British warships and privateers. Imposts could not have proved beneficial as revenue measures and would have thrown obstacles in the way of a commerce which already had a hard struggle for existence. Not until the war was practically over were duties again levied; even then they were reluctantly imposed. Some of the states, indeed, refused to allow any restrictions on trade. New Jersey in 1783 said:² "In order to give the fullest encouragement to trade

¹"Laws of Pennsylvania," 1778, 151.

²"New Jersey Laws," 1783, 330.

and commerce within this state, all the ports in the state shall be free and open for the importation or exportation of any goods, wares, or merchandise whatsoever, clear of all duties, customs or impositions of any species or denomination."

Massachusetts also made a strong disavowal of any intention to hamper commerce longer than the want of revenue rendered absolutely necessary.¹

In the Virginia Assembly of 1783, Henry's voice was for an unfettered commerce, now that peace had made commerce safe. "Why should we fetter commerce? Fetter not commerce, sir,—let her be free as the air—she will range the whole creation, and return on the wings of the four winds of heaven to bless the land with plenty."² But Virginia was not entirely exempt from the causes which were bringing protection in other states. Henry in time swung entirely around from the position he had held in 1783, and in 1787 favored the prohibition of the importation of distilled liquor, cheese, butter, pork, beef, tallow and candles, and the imposition of a duty on iron, coal, hemp and cordage. His biographer says: "He thought it wise to stimulate home industry and was not bound by previous utterances nor any theory of political economy."³ Madison and Mason opposed Henry's plan, and it failed; but duties were increased by several acts.⁴ Indeed Virginia passed more tariff laws between 1779 and 1789 than any other state.⁵ These acts contain little

¹"Laws of Massachusetts," 1780-83, 204.

²Henry's "Life of Henry," II, 192.

³*Ibid.*, II, 328.

⁴"Virginia Journal," 31, 47. "Madison's Works," I, 366.

⁵Hening, X, 150, 165, 281, 382, 511; XI, 95, 121, 195, 201, 374; XII, 32, 46, 288, 289, 290, 304, 412, 442, 514.

internal evidence of their protective purpose, but Madison asserts that the desire to encourage manufactures, as well as the need of revenue, caused the passage of Tariff Acts in 1786 and 1787.¹

The debts incurred during the war, the difficulty in collecting taxes and the necessity of securing revenue from all possible sources, compelled most of the states to re-impose taxes on imports. At first the rates were low and the articles taxed few, being generally luxuries or commodities, the importation of which was thought to be harmful. In this category slaves, rum, spirits and wine, tea, coffee, and sugar held the important places. The southern states did not go beyond these purely revenue measures.²

In all the northern states rates were advanced and other articles were added to the list, until in 1785 and 1786 the tariff schedules were generally extensive and taxes were imposed for both revenue and protective purposes, or, to use a phrase of more recent times, for revenue with incidental protection. In some of the states, indeed, protection was the principal end sought. A short account of the tariff laws passed in six of the northern states will show the degree of protection reached as well as the process by which it was evolved. This account may begin with the smaller states, whose action was of less importance and perhaps less marked in the protection afforded.

Before 1784, Connecticut passed a number of impost and excise laws as revenue measures.³ The rates were not high and few articles in the list were

¹"Madison's Works," I, 271.

²Cooper's "Statutes of South Carolina," IV, 576 and 609. Bacon's

"Laws of Maryland," 1785, Ch. LXXXV.

³"Acts and Laws of Connecticut," 1784, 58, 127, 210, 271, 279, 318.

made in the state ; no protection could have been intended. January 1, 1785, the revenue rates were increased to 7 per cent., and hats, shoes, boots, leather, saddles, rum and brown sugar were taxed at specific rates which afforded some protection.¹ A year later the manufacture of nails was encouraged by a duty of one-half penny per pound ; the catching of fish, by a duty of three shillings per barrel, on all brought in by foreigners ; and the growth of hemp by exempting the land on which it was grown from taxation, and further by a tax of six shillings per hundred-weight on all hemp or cordage imported from foreign countries.² In 1788 all buildings used as woolen factories and all iron works were exempt from taxation and the workmen were freed from the payment of poll-tax. The reason assigned for this exemption was, "That all due encouragement should be given to manufactures in this state."³ A bounty of one penny per pound was given on all yarn spun in the factory at Hartford before June 1, 1789.

In New Hampshire, duties for revenue were less numerous than in Connecticut ; but the protective duties were higher and their purpose was distinctly avowed. The preamble to the Act of March 4, 1786, states : " That the laying duties on articles, the produce or manufacture of foreign countries, will not only produce a considerable revenue to the state, but will tend to encourage the manufacture of many articles within the same."⁴ A duty of 15 per cent. was therefore laid on jewelry, gold and silver-ware,

¹" Acts and Laws of Connecticut," 1784, 309.

²*Ibid.*, 346 and 354.

³*Ibid.*, 361.

⁴"Perpetual Laws of New Hampshire," 1776-1789, 152.

silks, mahogany, playing cards and a few other luxuries. This, of course, was purely for revenue. But for protection, the same duty was collected on boots, shoes, hats, saddles, carriages, furniture, nails, wrought iron, cheese, linseed oil and some other articles which would compete with the home products. China, earthen and stone ware paid 10 per cent.; wines, beer, ale and porter, 5 per cent.; and all non-enumerated commodities, $2\frac{1}{2}$ per cent. The act was to continue two years. At the end of that period it was re-enacted because "The same hath been found very beneficial."¹ Premiums and exemption from taxation were also used to encourage the manufacture of linseed oil, the erection of slitting mills and nail works, and the making of duck and sail-cloth. Factories were exempted from taxation for ten years, the poll-tax on the workmen was remitted for seven years, and raw materials were admitted free of duty. A premium of one hundred pounds was offered for the first slitting mill erected, and fifty pounds for the first sail-cloth factory.² In assigning reasons for this encouragement no complaint was made of the scarcity or high price of labor. On the other hand one of the principal objects to be secured was "to furnish employment for poor persons." Another end sought was "to secure a favorable balance of trade and to prevent large sums of money from being drawn to foreign countries." Indeed, all the legislation of the time on commercial matters was largely influenced by the uneasiness which the adverse balance of trade caused.

¹"Perpetual Laws of New Hampshire," 1776-1789, 159.

²*Ibid.*, 196, 201, 205.

In Rhode Island duty acts were still more numerous than in either of the states above mentioned, the rates were higher, and the provisions for collection were more rigid. The high duties imposed by the state made it evident that the fear of burdening commerce was not the real reason for her refusal to grant Congress authority to lay a 5 per cent. impost,—a matter which will receive attention later. The year which marks the beginning of impost and excise acts is again 1783; but these were strictly for revenue.¹ In Rhode Island the list of commodities taxed was longer than in Connecticut, but the rates were low,—two and one-half per cent. ad valorem, with a few specific duties. A little later two per cent. was added to the duty on goods imported from foreign countries.² Early in 1785 a committee was appointed “to draft a bill laying an additional duty on hats, shoes, boots and such other articles of foreign manufacture as may be manufactured to advantage within this State.”³ The committee reported “An Act for laying additional duties on certain enumerated articles for encouraging the manufacture of them within this State, and the United States of America.”⁴ By this act duties were imposed on axes, hoes, scythes and other tools, on iron, pewter and tinware, on hats, boots, leather, paper, coaches, carriages, and many other articles that could be made in this country. On a number of articles the rates were 25 per cent.,—as high as any ad valorem rate imposed during that period in any state. Luxuries

¹“Laws of Rhode Island,” 1783, February Session, 45 and 53.

²*Ibid.*, June Session, 26–31.

³*Ibid.*, 1785, February Session, 25.

⁴*Ibid.*, August Session, 18.

and gew-gaws, the importation of which it was thought wise to discourage, were also taxed heavily. A copy of the act of 1785 will be found in the Appendix, and its similarity to the acts of the other states should be noted. There is, in fact, much internal evidence that the states exerted an important influence upon one another. This act followed the earlier acts of Massachusetts and New York, but preceded the most important one passed by the Pennsylvania assembly. Just how much one act was modeled on another, it is impossible to say. The laws of one state were soon printed and circulated in other states. Indeed the important ones were published in the home and also in distant newspapers at once. This act of Rhode Island was passed August 4, and on August 24 it was published in the *Pennsylvania Gazette*. The Pennsylvania legislators were at that time framing the act which they passed September 20, and would naturally be influenced to some extent by the example of a sister state.

Besides the encouragement given by protective duties, Rhode Island also stimulated the production of wool and hemp by giving a bounty of one shilling per head, each year, on all sheep owned within the state, and a bounty of one penny per pound on all good hemp and flax produced in 1786 or 1787.¹ The reason assigned was "to encourage the growth of all raw materials, more especially those that supply clothing to the inhabitants, and duck or cordage for carrying on commerce."

New York did not begin her tariff legislation so soon after the revolution as did some of the other

¹"Laws of Rhode Island," 1786, March Session, 7 and 12.

states; but the extensive list of articles taxed and the elaborate provisions made for collecting the duties imposed may indicate that New York legislators had been watching the neighboring states and had profited by their experience. In March, 1784, a law was passed very similar to the one then in force in Massachusetts.¹ In some points it even went beyond that of the neighboring state. The schedule was longer and the provisions for collecting the duties were more elaborate. Forty articles were taxed at specific rates and all other goods paid 2½ per cent. ad valorem. That the measure was a tentative one is shown by the fact that its duration was limited by the expiration of the next session of the assembly. It was, however, substantially re-enacted in November of the same year, this time without limitation.² Such changes as were made increased the duties originally levied, and cordage was taxed whether made in the United States or Europe. The free list, however, was much extended. A little later the duties on goods imported in British vessels were doubled, and harness and pewter hollow ware were given some protection. In April, 1785, additional duties were laid on cordage, ropes, yarn, boots and linseed oil, and the proceeds applied to the payment of a bounty on hemp.³ An attempt was also made to compel the neighboring states to discriminate against British shipping by providing that, "All goods, wares and merchandise, other than the produce and manufacture of any of the United States, imported into this state from the states of Rhode Island, Connecticut,

¹"New York Laws," 1777-1784. I, 599, 607.

²*Ibid.*, II, 11.

³*Ibid.*, 65.

New Jersey and Pennsylvania, shall be subject to like duties as are paid by goods imported in British vessels, unless it be proved to the satisfaction of the collector that such goods were not imported into said states in British vessels."¹

Further modification of the tariff was not made until April, 1787, when the schedule was revised. The revenue tariffs were lowered slightly; but a few industries, not aided in the first act, were given encouragement, and protective duties were raised on some of the other commodities which were produced at home. The year 1788 brought still another increase of rates,² and although the desire to aid and encourage industry was not so distinctly avowed in New York, the protection given was almost equal to that in Massachusetts, Pennsylvania and Rhode Island.

It is in Massachusetts and Pennsylvania, however, that the most instructive development of impost laws is to be found; and their action may be considered at greater length.

During the eight years of war Massachusetts commerce had felt the burden of no impost, and freedom from restrictions had proved profitable to the traders and privateers of the old commonwealth. When, in 1782, they were compelled by the pressing need of revenue again to lay a tax on goods imported, the legislators expressed in the following words a reluctance to do so and a determination to free commerce again as soon as possible:

"And, whereas, all restrictions upon trade have been found to be highly injurious to those countries which derive a great part

¹"New York Laws," 1777-1784, I, 120.

²*Ibid.*, 511.

³*Ibid.*, 786.

of their wealth and strength from commerce, especially to such as require a navy for their defence; and it being to the true interest of this Commonwealth that its commerce should be encouraged and made as extensive as possible, and good policy requiring that the embarrassments which arise from the impositions laid by this act upon trade should continue no longer than the necessities of government occasioned by war shall continue: Be it therefore enacted, That this act shall continue and be in force till six months after peace and no longer."¹

Few articles were taxed by this, the first tariff act after the Revolution. Wine, tobacco, tea, sugar, iron, coaches, and a few other articles paid specific duties. Half a dozen commodities paid 5 per cent., and all others 2½ per cent. Such were the restrictions which were thought to be so injurious that they must be repealed within six months after peace was obtained. Experience, however, seems to have proved that the restrictions were less harmful than had been anticipated, since they were virtually continued the next year. In 1783 two other impost acts were passed, one of which was chiefly explanatory, while the other lowered the specific rates slightly but left the ad valorem rates as they had been fixed at first.²

The year 1784 brought a great advance beyond the revenue tariffs hitherto imposed.³ Paper, candles, soap, linseed oil, leather, beef and pork were taxed 7½ per cent. instead of the 2½ per cent. which they had formerly paid. Coaches, carriages, harness, saddles, boots, shoes and plated ware paid 12½ per cent. It will be noticed that all of the articles subject to these higher duties were either such as the state, freed from the restrictions formerly imposed on manufactures by Great Britain, was beginning to make, or

¹ "Laws of Massachusetts," 1780-1783, 204.

² *Ibid.*, 225, and "Laws of Massachusetts," 1783-89, 16.

³ *Ibid.*, 149.

were luxuries which it had always been the policy of Puritans to tax at higher rates.

One year later another impost act carried the policy of protection much further; and its preamble shows that the Massachusetts legislators had entirely discarded the notion that restrictions on trade were injurious. On the contrary, they were to be used as a means for encouraging and developing the industries of the state. The preamble of the Act of 1785 reads as follows:

"Whereas, it is highly necessary for the welfare and happiness of all states, and more especially such as are republican, to encourage agriculture, the improvement of raw materials and manufactures, a spirit of industry, frugality and economy, and at the same time to discourage luxury and extravagance of every kind: Be it further enacted,"—and so on.¹ This time the duties on some of the articles were raised to 25 per cent., and many imports were taxed at high specific rates.

The act of 1786 went even further, and carried the system of protection to its logical result. It is of so much importance that the principal sections of it are printed in the Appendix. By referring to this it will be seen that the articles which had been taxed highest and which the home industries were now supplying in sufficient quantities were no longer to be imported at all, on pain of forfeiture. Other imports paid duties ranging from 5 to 15 per cent.²

Thus in four years Massachusetts developed a system of protection more complete and consistent than the United States has ever had. She began

¹"Laws of Massachusetts," 1783-1789, 300.

²*Ibid.*, 526.

in 1782 with a low revenue tariff, declaring at the same time her preference for a system of absolute free trade. The protection afforded by the revenue measures must have proved stimulating to the industries of the state, for while the need of revenue might account for the increase in the rates imposed, it cannot explain the change in purpose as expressed in the preambles, nor can it account for the prohibition of the importation of fifty-eight articles, thereby shutting off all revenue from them.

The journal of the house of representatives gives additional evidence of the deliberation with which the protective policy was adopted and shows that it was selected as the best means of encouraging home industries. An entry of November 16, 1785, shows that a committee had been appointed by the senate to "join with a committee of the house, to consider and report the most effectual measures for the encouragement of the growth, increase and exportation of beef, pork, butter, cheese, potash, hemp, wool, flax and tobacco, and all other things that are or may be raised in this commonwealth."¹ The result of this conference was the ultra protective act of 1786. Still further favor was shown to Massachusetts industries by admitting wool, dye-woods, lead, tin, brass, molasses, salt and other raw materials, duty free;² but in this, Massachusetts did no more than all the other states were doing. Some of the states had even more extensive free lists than she had.

The tariff legislation of Pennsylvania did not show so marked a growth nor did it reach quite

¹"Massachusetts House of Representatives, Manuscript Journal," 1785, 298.

²"Laws of Massachusetts," 1783-1789, 530.

so advanced a stage as did that of Massachusetts, but the difference was one of degree, not of kind. Before the Revolution Pennsylvania had always been slow to impose burdens on trade. While Massachusetts, New York and South Carolina were raising considerable sums from imposts, Pennsylvania commerce was free from restrictions. In 1780, however, the need of revenue overcame the predilection of the Quakers for free trade and they decided "that considerable sums can be raised by a small impost on goods and merchandise imported into this state without burdening commerce."¹ Accordingly, low duties were laid on wines, liquors, molasses, sugar, cocoa and tea, with 1 per cent. on all other imports.² In 1782 the duties were doubled and the revenue was appropriated to the defence of commerce on the Delaware river and bay.³ This was done at the request of the merchants who wished to have their interests protected and "signified their willingness to submit to a further impost on the importation of goods for that purpose." When peace came, however, the merchants at once represented it as detrimental to the interests of the state to continue the duties, and they were repealed.⁴

In 1784, low duties were again imposed, and later in the same year increased. Early in 1785 more careful provisions were made for their collection.⁵

¹"Acts of Pennsylvania Assembly," 1775-1781, 422.

²The value of the goods was to be ascertained by the statement of the importer; but the state might take possession of any articles by paying the importer 10 per cent. more than the invoice price.

³"Pennsylvania Laws," 1782, 116.

⁴"Pennsylvania Laws," 1783, 203, or Dallas' "Pennsylvania Laws," II, 141.

⁵"Pennsylvania Laws," 1784, 299, or Carey and Bioren, "Laws of Pennsylvania," II, 467 and III, 52.

September 20, came the important act "to encourage and protect the manufactures of this state by laying additional duties on certain manufactures which interfere with them."¹ The text of this act, also, will be found in the Appendix, and a comparison of its provisions with those of the first United States tariff will at once suggest the origin of the latter measure.

More than forty of the articles which Pennsylvania had begun to make were taxed at high specific rates. Coaches and carriages, paid £10 to £20; clocks, 30s.; scythes, 15s. per dozen; beer, ale and porter, 6d. per gallon; soap or candles, 1d. per pound; shoes and boots, 1s to 6s. per pair; cordage and ropes. 8s. 4d. per hundred weight; and so on. The ten per cent. schedule included manufactures of iron and steel, hats, clothing, books and papers, whips, canes, musical instruments and jewelry. Additional duties were laid on a number of articles which were supposed to compete injuriously with the work of the carpenters and ship-builders of the state. A heavy duty was laid on the ships of non-treaty nations. Discrimination was also made against imports from Portugal, to continue as long as American flour was excluded from the dominions of that country. The Pennsylvania act is of importance because it shows the nature of commodities which the country was then producing, as well as because it formed the basis of the tariff of 1789.

The act of 1785 was slightly altered and amended by four subsequent acts.² These, however, merely

¹"*Pennsylvania Laws*," 1785, 669, also *Pennsylvania Gazette*, October 5, 1785.

²"*Pennsylvania Laws*," 1787, 241, 242; Carey and Bioren, "*Laws of Pennsylvania*," III, 161, 177 and 275.

provided for the better collection of duties or modified provisions which were found to work unsatisfactorily. The protective features of the act were not disturbed, although Americans were given further advantages in trade by requiring foreigners to pay an additional duty of two per cent. on the goods they brought in, and by allowing citizen importers an abatement of five per cent. from the regular rates. The American merchants were encouraged to open a trade with the East Indies by exempting the goods which they imported from Asia, especially tea, from all duties. The effect of this provision on the first United States tariff will also be noted when that act is discussed.

So far this sketch has dealt only with the evidence afforded by the legislative action as recorded in the journals and in the statute books. Another source of information remains, which if not so reliable, gives more details and discussion than either the journal or the laws,—the newspapers of the day.¹

For 1785 and 1786, these contain accounts of the frequent meetings of merchants, tradesmen, and mechanics, to consider the distressed condition of their affairs and to suggest remedies. Letters were also printed from week to week in the *Boston Independent Chronicle* signed by a "Friend to Com-

¹The *Boston Independent Chronicle* and the *Pennsylvania Gazette* may be found in a number of the best libraries. The *Chronicle* is especially valuable for the letters, discussing the commercial conditions, and for the resolutions of merchants and tradesmen which it prints. In the Library of the American Antiquarian Society, at Worcester, will be found the most complete collection of early American newspapers. Even this collection, however, is deficient in the papers of the Southern States.

merce,"¹ in which the causes of the calamities then impending were set forth and remedies were suggested. The speeches of Governor Bowdoin and the addresses to him are of the same general tenor.² The existence of universal distress was admitted on all hands; but there was a difference of opinion as to how it could be removed. It is certain that during the period in which war had cut off intercourse with foreign nations, the colonists had turned their attention to manufactures and had learned to make most of the necessities of life for themselves.³ Clothing and munitions of war were first made, and their production was encouraged by bounties and other means. It became fashionable to dress in American clothing, and boasts of the good quality of homespun cloth are frequent. Soon other articles of prime necessity were produced.⁴ Iron was made in a number of places.⁵ Each blacksmith shop and many a farm-house became a factory for the production of

¹These letters began July 29, 1784, and continued until October, 1785.

²In Governor Bowdoin's message to the assembly, May 31, 1785, he said: "The state of our foreign trade, which has given so general an uneasiness, and the operation of which, through the extravagant importation and use of foreign manufactures, has occasioned so large a balance against us, demands serious consideration. To satisfy that balance, our money is exported; which, with all the means of remittance, at present in our power, falls very far short of a sufficiency."

³*Boston Independent Chronicle*, August 12, 1784.

⁴*New Jersey Gazette*, August 25, 1779, wool hats and wool cards are advertised; November 1, 1780, a fulling mill. July 16, 1783, William Dawes says he makes and sells stirrups, spurs, bits, bridles as cheap as they can be imported. *Providence Gazette*, January 23, 1779, advertises chaises, and September 18, 1784, advertises American made saddles, hats, cloth, clothing, paper and chocolate.

⁵*Connecticut Courant*, January 8, 1782; *New York Gazetteer*, October 14, 1782; *New Jersey Journal*, October 17, 1781.

nails.¹ Hoes, axes, shovels and other implements of iron and steel; hats, boots, shoes, harness, carriages, coaches and many other articles, were produced. Butter, cheese, beef, pork, candles, soap, pot and pearl ash, and other direct or indirect products of agriculture, had formerly been made in considerable quantities, and now, under the stimulus given by the war, the market for these articles was easily supplied by the home products.²

In ship-building, America had a decided advantage over European countries and needed only a fair chance to become a naval power of great importance.³ War, bringing with it a destruction of commerce, had proved, if not a blessing, certainly not an unmixed evil. It had thrown the Americans upon their own resources as nothing before had done. True, they had been almost entirely left to themselves in their struggle with the hard conditions of pioneer life and in their wars with the Indians and French. They had developed a vigor, power and self-reliance which now stood them in good stead. They needed but opportunity and a slight pressure, to show them that they could produce, advantageously, for themselves, the things which they had hitherto done without or imported from England. The opportunity was afforded by a removal of British restrictions and prohibitions which had long hampered industry and prevented the introduction of manufactures. The pressure came from inability to get the desired commodities from Great Britain, and from interruption of the

¹Fisher Ames in "Annals of Congress," I, 156.

²*Boston Independent Chronicle*, July 29 and August 12, 1784.

³*Ibid.*, October 13, 1785.

fisheries and trade with the West Indies, which had furnished an outlet for the surplus produce of New England, and afforded an easy means of securing necessities and luxuries from England.

There had been wars before, as long and almost as severe for the colonists as was the Revolution, but in them the British regulations in regard to colonial manufactures had never been relaxed, nor did colonial commerce suffer any serious interruption. Therefore no industry except agriculture and commerce had arisen. It is, then, in the conditions existing from 1775 to 1782 that the roots of our manufactures are to be sought. The authority of the nation which had hitherto forbidden the manufacture of hats, the erection of iron works or woolen mills, was no longer recognized. The desire of Americans to manufacture was no longer restrained by any vexatious laws. The necessity for the product of the artisan's skill was greater than it had ever been before. Manufacturers were compelled to start.¹ In the northern states industries were developed rapidly by the genius, ability, and energy of the citizens, so that before the war ended they had learned to make all the things most needed and to do without the luxuries which they could not produce. The lesson, however, had been a severe one, and the time for learning it not sufficient, as the events following the return of peace proved. No sooner were the markets opened to British goods than the desire for foreign commodities returned; indeed it seemed all the stronger because of the period of enforced abstinence. All the gew-gaws and fineries, as well as the necessities, which British

¹ *Boston Independent Chronicle*, June 2, 1785.

merchants could send to this country, were eagerly purchased, especially if they could be had on credit.¹ Two serious evils were imminent. The industries which had started up during the war, but which had not become firmly established, and had no great capital, were being forced out of existence.² And the commodities which America could offer for imported goods were all taken and large debts still remained unpaid. All coin which could be collected was exported in liquidation of these debts, so that little was left to carry on the business of the country.³

This adverse balance of trade, and the great exportation of coin in 1783 and 1784, caused as much uneasiness as did either the British restrictions on American commerce, or the competition which the new manufacturers felt. It therefore deserves a careful examination.

Although new ideas in regard to commerce and the functions of money had found lodgment in some minds, and an occasional writer set forth the modern theory,⁴ the discussion was based, almost without an exception, on the assumption that coin was the most important part of a country's wealth, and that every possible precaution should be taken to prevent its exportation. The danger of losing the coin which America held in 1783 was great. Most of this had been sent from France and England to supply the

¹Boston *Independent Chronicle*, May 27, 1784; July 29, 1784; March 10, 1785.

²*Ibid.*, August 12, 1784.

³The adverse balance of trade and the loss of coin is referred to by almost every writer. See especially the letters of a "Friend to Commerce."

⁴Pelotiah Webster's "Essays," 25. See also the Boston *Independent Chronicle*, November 3, 1785.

armies here and its return was inevitable as soon as peace permitted economic conditions again to regulate the distribution of the precious metals. The break down of the Continental currency in 1780 had been followed by an influx of specie which gave America more coin than she had ever before possessed: but European countries, especially France and England, were left without their wonted circulating medium. Peletiah Webster, one of the soundest writers of that day, thus describes the means by which America secured coin: "The presence of specie had been for some time a common incident in the states; from the beginning of the year 1780 hard money, as it was then called, had been plentiful. This was occasioned by large sums, by various means, coming from the English army in New York, and spreading through the states; also by large sums remitted by France to their army and navy here; also by large importations of hard money from the Havanah and other places abroad; so that hard money was never more plentiful or more easily collected than at that time."¹ The stimulating effect which this increase of coin was supposed to exert upon trade is well pictured by Thomas Paine in the "Crisis."² "Trade had become brisk once more. For the first year or two of the war the ports and harbors of America were closed; the people scarce ventured to look towards the ocean. Now our rivers are beautiful with large and valuable vessels, our stores filled with merchandise and the produce of the country has a ready market and an advantageous price. Gold and sil-

¹ Webster's "Essays," 75.

² "Crisis," edition of 1839, 209

ver, which for a while seemed to have retreated again within the bowels of the earth, have once more risen into circulation, and every day adds new strength to trade, commerce and agriculture." Coin could not have thus come to America in amounts sufficient to produce a marked effect on commerce, without disturbing the countries from which it was drawn. As Lord Sheffield says: "The operations of war caused such a drain of specie from Europe that the Bank of England was brought into jeopardy and the Caisse d'Escompte at Paris actually suspended payment, and such a flux of specie took place in the United States that hard money was never more plentiful or more easily collected."¹

There is other evidence to show that America had more than her share of the world's money, that trade was brisk, and that at the close of the war the people looked forward to an era of great prosperity.² They expected to retain the advantages which war had brought, and also to regain the privileges, especially in trade with the West Indies, which they possessed before it began.³ The feeling which Adams, Franklin and Jefferson entertained, as to the importance of our commerce to Great Britain, and still more to her dependencies, led them to think that all avenues of trade would be open to us without restriction; expectations and opinions, of which more will be said in the chapter on the attempt to vest Congress with power to regulate commerce.

¹Lord Sheffield's "Observations," 8. The *Providence Gazette*, February 24, 1784, prints an *arrêt* of the King of France allowing the Caisse d'Escompte to suspend specie payments, because of the great sums sent abroad to support the army, the lack of importation caused by war, and the increase of discounts.

²Boston *Independent Chronicle*, July 29, 1785.

³*Ibid.*

The condition at the close of the war had aroused hope and stimulated enterprise. The depression and distress of the first years of the war, when the blockade was more effective and fewer imports were received; when a worthless paper currency deadened all commerce and compelled a return to a state of barter; when the manufacture of commodities at home had not yet attained any importance, and foreign coin had not revived our commerce; the depression from these causes had been succeeded by a period of high prices, brisk trade, even of wild speculation. Jay, writing to Benjamin Vaughn in November, 1784, said: "It is certain that we are trading at a wild rate, and it is true that your people are giving most absurd credits to many, who neither have, nor ought to have, any at home. This delirium cannot last."¹ While it did last, however, the people imagined that their new freedom would bring them all sorts of prosperity. They could now engage in the commerce of the world. Hitherto trade had been confined to England. Now America was on a footing of equality with the nations of the world, and no law but that of self interest compelled her to contribute to the support of England's merchants and manufacturers. The net gain from this freedom to trade with other countries did not prove so great as was expected. And this for two reasons: The restrictions on our trade while we were a part of the British Empire were nominal rather than real. Our traders found ways to evade obnoxious laws and means to

¹"John Adams' Works," VIII 273; "Franklin's Works," X, 235; John Jay, "Life and Works," III, 135. The amount and kind of goods advertised in the papers of every city is the best proof of over-trading.

carry on any commerce that yielded a good profit. The more important reason, however, was that all the gain from freedom to trade with other countries was more than offset by the restrictions to which, as a foreign nation, the country was compelled to submit in the trade with Great Britain and her colonies. For a few years the loss here proved to be greater than any gain elsewhere, and was the more disappointing because it was entirely unexpected.¹ The gain from commercial freedom did not become apparent until after the European wars forced England and other countries to open their colonial ports to American shipping, and threw a great part of the world's carrying trade into our hands. The commerce which our traders carried on from 1793 to 1807 was that which had been expected in 1783.

Ten years of British restrictions and disappointed hopes had meantime wrought an important change in the temper of Americans. Steps had been taken to foster and protect the industries which had been called into existence by the war. It was these manufactures, with the opportunities they gave for a profitable employment of labor, and the goods they furnished, or were expected to furnish, on better terms than imported goods could be had, that really made America's industrial condition better at the close of the war than it had been at the beginning. Although no immediate gain came from freedom of trade, an important gain was realized by the establishment of manufactures; but even this gain came near being lost with the destruction of the industries which the great importation of

¹See references to the writings of Adams, Franklin and others in Chapter III.

British goods threatened. The war had prevented the importation of goods directly from England; but even during the war English manufactures found their way to America as prize goods, by collusion, or indirectly through Holland.¹

After the treaty of peace was signed and trade with England was opened once more, the full tide of British goods turned to the American shores. The most important reason for this great inflow is to be found in the high prices and good market here, caused by the abundance of money.² Its effect was greater then, when prices were influenced so much more by money in actual circulation than it would be at this day when credit transactions and deposit currency play a part so important in fixing prices. Another cause was the accumulation of a great stock of goods, especially in England. For eight years the most important foreign market for British goods had been almost closed. This, too, was at the time new inventions were just beginning to increase England's productive power so enormously as to give her the leading place among manufacturing and commercial nations. When the American markets were again opened, the accumulated stock of goods would have poured into them, even without the stimulus which high prices gave. As the goods could be disposed of at unusually profitable rates, they were sent in even greater quantities. The conditions for over-trading were present in a marked degree. Eager sellers were forcing upon more eager buyers an accumulated stock of goods which could not be disposed of else-

¹Connecticut *Courant*, September 3, 1782.

²Boston *Independent Chronicle*, June 2, 1784. Lord Sheffield's "Observations," 8.

where. In 1784, Lord Sheffield wrote: "England and rival nations have vied with each other in pouring their manufactures into America. The country is already stocked, most probably overstocked, with European commodities."¹ A letter from Philadelphia in the Boston *Independent Chronicle*, for June 16, 1785, is to the same effect: "After the peace vast numbers of adventurers, with goods which they were obliged to dispose of at all events, flocked here from all quarters." The eagerness of the purchasers is put by Webster even more strongly. "The states were overrun with an abundance of cash. French and English armies, foreign loans and Havana trade had filled the country with money; and bills on Europe were currently sold at twenty to forty per cent. below par. This induced the merchants to buy these bills and remit them to Europe, and in return to import great quantities of European goods, which arrived under the great expense of war freight and insurance; yet their scarcity, the great plenty of cash, and the luxury and pride of the people, were such that they sold rapidly and at a great profit."²

After the effects of over importation began to make themselves felt the newspapers were filled with lamentations over the folly of the purchasers and denunciation of the importers, especially if the latter were British. The character of these complaints may be seen from the following extract from a letter in the Philadelphia *Gazette* for May 11, 1785: "We have been blind to our own interest and our existence as a nation. We have encouraged the importation of British gewgaws. Our towns have swarmed

¹ Lord Sheffield's "Observations," 4.

² Webster's "Essays," 267.

with British factors, our money has been sent in cargoes to England, and the whole trade has been wrested from our merchants, who have been obliged to sit still and see themselves hastening to destruction. . . . Ready-made clothes and every article of merchandise in large quantities have been imported; so that valuable branch of men, the mechanics, would, in a little while, be reduced to beggary. At last, thanks to heaven, though our government sleeps, its citizens are awakening. We now see, because we severely feel, that we are going headlong to inevitable ruin."

The good credit which American merchants had enjoyed before the Revolution and the present abundance of money enabled them to make heavy purchases; and the stocks brought by their owners or consigned to brokers increased the supply. The newspapers for 1783 and 1784 were filled with advertisements of jewelry, silks, millinery, broadcloths. Wines, and liquors, and other luxuries also were freely offered. A study of these advertisements, and the frequent complaints of the over-indulgence in luxuries, does not suggest the plain living and frugality which tradition assigns to our ancestors. Indeed, if one were to accept the newspaper accounts and trust the jeremiads with which their columns were filled during the years from 1783 to 1787, the people of that time would be judged prodigals, wasting their substance in riotous living and seeking through extravagance to reduce the country to commercial dependence upon Great Britain.¹ Such prodigals doubtless ex-

¹See *Philadelphia Gazette*, May 11, 1785. *Boston Independent Chronicle*, March 10; July 14, 1785. Tenche Coxe, "Views of the United States," 49. *The Freeman's Oracle and New Hampshire*

isted then, as they have existed in all ages, especially in times of war; but that they formed any great proportion of the population, is not probable. The facts established are, that imports were much greater than exports and that large quantities of coin were exported.¹ Many merchants who had done an extensive credit business were unable to make collections and consequently unable to pay their English creditors. British agents and factors were sent over to make collections and to look after consignments of goods. Jealousy of these agents played a most important part in securing restrictive tariffs. Goods were not sent to America so freely in 1785 and later years as they had been immediately after the war.² Coin had largely disappeared, and the reaction from the previous high prices and apparent prosperity was keenly felt by all classes.³ Some writers attempted

Advertiser had for its motto: "The independence of a state cannot be supported but may be destroyed by the importation of foreign luxuries." The same paper says, October 10, 1786: "But further, luxury rages among you and luxury is the devil. The war has sent this evil demon to impoverish people and embarrass the public."

¹The trade between the United States and England from 1784 to 1790 is given by the British Custom House returns as follows:

	Exports.	Imports.
1784	£ 749,345	£3,679,467
1785	893,594	2,308,023
1786	843,119	1,603,465
1787	893,637	2,009,111
1788	1,023,789	1,886,142
1789	1,050,198	2,525,298
1790	1,191,071	3,431,778

Pitkin's "Statistics," 30. *American Almanac* for 1840, 137.

²Boston *Independent Chronicle*, October 28, and November 29, 1785.

³The Massachusetts assembly, in its address to the people, in 1786, said: "We feel in common with our neighbors the scarcity of money; but is not this scarcity owing to our own folly? At the close of the war, there was no complaint of it; since that time our

to put the whole blame for this condition of affairs upon the British agents and merchants who had exported the coin. Others more honestly accepted the blame for the people who had been foolish enough to import more than they could pay for, especially when these imports were luxuries. All united, however, in advocating the same remedy, namely, a restriction of the trade which was draining away our coin, injuring our manufactures, and enriching British at the expense of American merchants while filling the land with useless luxuries.¹ Added to all these reasons for restricting trade was another, the hatred of the British engendered by the war, a hatred which was much increased by the narrow and selfish restrictive policy pursued by Great Britain in the hope of destroying our commerce and building up her own.²

A somewhat detailed account of the condition of trade in one city, and the way the merchants and tradesmen were affected, may give the reader a clearer idea of the forces which caused protective legislation during the critical period of American history. Boston is selected because it was more distinctly a commercial center than any other city of fields have yielded their increase, and heaven has showered its blessings on us in uncommon abundance; but are we not constrained to allow, that immense sums have been expended for what is of no value, for the gew gaws imported from Europe, and the more pernicious produce of the West Indies; and the dread of a paper currency impedes the circulation of what remains. It is said, however, that such a currency would give us present relief; but like the pleasure of sin, it would be but for a season: and like that, too, it would be a reproach to the community and would bring calamity without end." *Boston Independent Chronicle*, December 7, 1786.

¹ *Boston Independent Chronicle*, April 21, 1785.

² "Madison's Works," I, 173.

America. Its prosperity was largely dependent upon ship-building,¹ the fisheries, and the trade with the West Indies, while New York, Philadelphia, Baltimore and Charleston could rely more upon the resources of the country behind them. For this reason any disturbance of trade was felt most severely at Boston. The men of New England had not been trained to submit tamely to evil conditions which action on their part could remove. They protested loudly and acted vigorously. They did what could be done in town meetings and voluntary assemblies; called upon the state for legislative interference by protective duties; and, when state action was found insufficient, invoked Congressional aid. Committees were also appointed to correspond with the merchants and tradesmen in other states in order to secure combined action, first on the part of the states, and later through Congress.

During the first year after the war, trade was brisk, money plenty, and no complaints were heard. By the middle of 1784, however, fears began to arise because of the excessive importation of luxuries from England, most of which had to be paid for in coin. In July of that year "A Friend to Commerce" began a series of letters in the *Boston Chronicle*. He lamented American folly in contracting large debts in Great Britain and feared that our flattering prospects must end in bankruptcy and ruin. Every day proved that we were purchasing beyond our abilities and that remittances must fail. As a commercial people we must not continue importations but rather

¹Massachusetts and New Hampshire built as many ships as all the other colonies together. Pitkin, 16.

foster our agriculture, our manufactures, and our exports, upon which prosperity depended.¹

In August the same writer made a strong plea for the encouragement of American industries.² This was almost a year before the protective policy was avowed in a legislative act of Massachusetts. His arguments show clearly the forces which were driving Boston into a protective policy. The severe competition which domestic commodities were compelled to meet and the adverse balance of trade were most dwelt upon. The competition of British merchants with those of Boston and the jealousy thereby aroused came later.

As money became scarcer and business more slack, other members of the community began to deprecate a trade attended with such pernicious consequences. The importations of luxuries and the exportation of the circulating medium caused most uneasiness. But the return of loyalists and the coming of British merchants and factors also aroused bitterness.³ The feeling of jealousy against these classes may be explained by the fact that they were able to undersell the American merchants and take away the profits of their trade.⁴ This charge, however, was not made against them most often, for it was less calcu-

¹Boston *Independent Chronicle*, July 20, 1784.

²This letter contains so complete a summary of the conditions existing, and so many of the arguments which were used during the next few years, that it is printed in the appendix.

³The resolutions of the Merchants and Tradesmen embody these complaints.

⁴See Boston *Independent Chronicle* of March 31, 1785, for an interesting complaint made by an American merchant. He warns the people against foreign merchants, "especially Richard Whackman & Co., who sell their goods cheaper than any other person."

lated to rouse popular indignation than charges of disloyalty and selfishness in exporting coin.

In October, 1784, "An Unshaken Whig" wrote as follows of the Loyalists and British and the conditions of trade: "On their return from England every species of luxury was introduced here, and every kind of gewgaw imported into this town with a purpose to drain us of our specie. Do we not know that in almost every ship that sails for England large sums of solid coin are exported to pay for these goods? Do we not know that large duties are laid upon our goods sent thither which amount to nearly a prohibition? And shall we be so infatuated as to continue our intercourse with that nation who endeavored to enslave us by the sword, but, not succeeding, are now trying imperceptible, but more sure means?"¹

The attitude taken by the London business houses may also have influenced the action of the Boston merchants. The latter could not be expected to look with equanimity upon the success of the agents and factors in securing business, while their own orders remained unfilled. But the failure to pay for English goods had brought about this state of affairs, if letters from London and newspaper accounts are worthy of credence. Two extracts from these letters will show the condition of American business. The first, written in September, 1784, says:² "The houses that have sent goods to America and trusted American merchants are in distress, those that had factors there and secured remittances are prosperous. Shipping goods to America is carried to a very great

¹Boston *Independent Chronicle*, October 21, 1784.

²*Ibid.*, October 28, 1784.

extent and the cash there is almost exhausted. One house that began business three years ago with a capital of £200,000 has stopped payment for £227,000, being the amount of goods sent to America. Three capital American merchants have stopped payment within a month, whose debts amount to an enormous sum." Just a month later another letter said: "Very few of the last orders from America will be executed, as the tradesmen are coming to their senses. Very few dollars make their appearance now: indeed the new states are almost exhausted of specie already. Thrice happy, thrice enviable country, where there is no gold to corrupt, no thieves to break in and steal."¹

In the early part of 1785 the complaints became more numerous; the picture was painted in darker colors. Ruin, inevitable ruin, must come unless immediate action be taken to exclude British agents, protect American manufactures, and change the adverse balance of trade by restrictions equal to those imposed by Britain upon our commerce.² On April 7, a handbill was circulated in Boston, setting forth the calamities which must overtake the body politic unless measures of self-defence were at once taken. Loss of cash, the dangerous position of home workmen, and hostility to British factors, formed the burden of this lament also. The subject matter did not differ from that of many letters and resolutions of the time, but its unique form warrants giving it a place in the Appendix.

Immediately after the appearance of this handbill, meetings of the merchants and also of the tradesmen

¹ *Boston Independent Chronicle*, November 28, 1784.

² *Ibid.*, March 10, 1785.

were held, and vigorous resolutions were adopted. In securing most of the objects desired, the two bodies could work harmoniously together. All wished to retain the circulating medium at home and to retaliate against the restrictions imposed by Great Britain on American trade. The discouragement of luxurious living was a common object; both tradesmen and merchants felt keenly the competition of British wares, sold by British factors; therefore both parties could cordially unite in boycotting the British. In one point, however, there was a conflict of interest. The merchants were not averse to the sale of the foreign commodities, even if they did compete with home products, provided only the imported goods brought a profit to them. The tradesmen, on the other hand, thought that the American market should be secured for American wares wherever the latter could be produced in sufficient quantities; and they demanded of the merchants a promise to refrain from importing any commodities which could be obtained in America. The merchants acknowledged the necessity of united action, and promised, in a general way, to support and encourage American industry to the extent of their ability, but did not bind themselves to refrain from importing competing wares.¹

The most noteworthy part of the resolutions is the provision for an absolute boycott, not only of British factors and agents, but of all who should trade with them, transport their goods, let houses to them, or hold any commercial intercourse whatever with the hated British. The governor and council were also asked to forbid the landing of all commo-

¹Boston *Independent Chronicle*, May 12, 1785.

ties consigned to the obnoxious persons. Another important step taken by the merchants and tradesmen was the preparation of a tariff bill which became the act of 1785.¹ This gave twenty-five per cent. protection on a number of articles and high specific duties on several others, besides distinctly avowing its protective purpose.²

Something more than legislation was needed, however, to restore the condition of brisk trade and apparent prosperity to which an abundance of money during the last year of the war had accustomed all parties. Because prosperity did not return at once, complaints were made of the law which was expected to bring it. One writer argued that nothing was to be gained by obstructing trade still further in the hope of injuring Britain ;³ that it was foolish to refuse to sell goods merely because we were not allowed to carry them to market ; that we had better let the British take goods from our shores at good prices than to have no market at all. The stronger party would not accept this reasoning, but insisted that more protection was necessary, or indeed an absolute prohibition of imports ; that the trade was robbing us of our money and giving us useless luxuries in return, and was breaking down our manufactures besides. The agitation continued till the prohibitive act of 1786 was passed. This too met with opposition because it did not bring the expected relief. But the interests favoring protection were so overwhelmingly in the majority that the slight agitation against the prohibitive act produced little effect.

¹Boston *Independent Chronicle*, April 29, 1785.

²"Laws of Massachusetts," 1783-1789, 300.

³Boston *Independent Chronicle*, October 13, 1785.

Massachusetts continued to do all that legislation could accomplish for home industries and for retaliation until the power to regulate trade was transferred to the central government.

III.

1783—1787.

OPINIONS OF STATESMEN. ACTION IN CONGRESS.

In the preceding chapter an account of the laws passed by the states for revenue, retaliation, and protection was given, followed by a description of the causes and conditions which made legislation necessary. In this chapter the order of the narrative will be reversed. Congress was not able to secure any legislation, either for revenue tariffs or for the regulation of commerce; therefore the conditions which prompted the endeavor to secure legislation are more important than the measures proposed. The same causes which compelled each individual state to act for itself, made united action indispensable; for it became clear that, acting singly, the states could not accomplish their object. As these conditions have been treated at sufficient length, the opinions of the statesmen and leaders of the period of the confederation will receive attention here, followed by an account of the legislation attempted. Extracts will be freely used as the best means of giving a true conception of the opinions which prevailed.

It is safe to say that with few exceptions—perhaps only one of importance (Hamilton)—the leaders in our Revolutionary struggle favored unrestricted

commerce. John Adams gave the clearest exposition of the free trade doctrine held during and immediately after the Revolution. He was also a decided advocate of the protective policy which Great Britain's unexpected restrictions made necessary. For these reasons, his views will be given at some length, with the causes for the change in them. The opinions of other important men will then be stated and compared with those of Adams.

Principle and interest united to make John Adams the vigorous advocate of a policy of unrestricted commercial intercourse. His reading had led him to complete adoption of the free trade doctrines of Quesnay and Adam Smith. The conditions which made New England the Holland of America,—a little later the carrier of the world's commerce—could not but make a New England statesman favor the policy which would increase the material prosperity of his constituents. Which of these factors exerted the more important influence on the mind of Adams it is impossible to determine, perhaps needless to inquire. The theoretical views first gained expression, but in the advocacy of measures to counteract the British restrictions, a strong interest in the commerce of the state was shown.

An ardent advocacy of measures which would advance the commercial interests and contribute to the real independence of America, must not, however, be taken to imply an indifference to the other industries of the country. Adams believed that the agricultural interests would be best subserved by a development of commerce; while the manufactures which were receiving so much attention from all classes in America had come into existence during

his residence abroad. They formed a smaller, as well as a less known interest, and, naturally, their importance could not impress him so forcibly as that of the older and greater industry, commerce. But when he saw that a commercial war was inevitable, he advised the encouragement of those manufactures which would compete most seriously with the English.

It is possible that if Adams had foreseen an industrial growth which would render the United States practically independent of all other nations, his desire for free trade would not have been so strong, nor his expressions so cosmopolitan as they were. His writings seem to show that he expected a long period of industrial dependence, during which manufactures must be imported, either from one country, as had been the case till 1776, or from all the countries of Europe. Certainly no American patriot could consent to re-establish the dependence upon Great Britain.¹ A letter, written in October, 1780, in reply to some questions as to the hatred of the British, stated the position of the Americans and the reasons in support of it. "The Americans are animated by higher principles and better and stronger motives than hatred and aversion. They universally aspire after a free trade with all the commercial world, instead of the mean monopoly in which they were shackled by Great Britain, to the disgrace and mortification of America, and to the injury of all the rest of Europe; to whom it seems as if God and nature intended that so great a magazine of productions, the raw materials of manufactures, so great a source of commerce, and so rich a nursery of seamen as

¹"John Adams' Works," VII, 311.

America is, should be open. They despise, sir, they disdain the idea of being again monopolized by any one nation whatsoever."¹

Adams often stated an equally strong faith in the principles of commercial freedom. He could not conceive that European nations would maintain the narrow, unenlightened, and selfish policy of restriction, after America had set an example of freedom and commercial intercourse with all the world. "The United States have done more than all the economists of France towards propagating to the world this delightful sentiment."² So great was his confidence that he deemed it almost needless to say anything to the British Commissioners as to the terms on which commerce should be conducted. But for England's sake he condescended to discuss the matter. His diary for April 30, 1783, gives the following account of what he said to the British agent, Mr. Hartley, in regard to commerce. "I told him that I was so convinced that Great Britain and America would soon feel the necessity and convenience of a right plan of commerce, that I was not anxious about it; that it was simply from a pure regard for Great Britain, and to give them the opportunity of alluring to themselves as much of our commerce as, in the present state of things would be possible, that I should give myself any trouble about it; that I had never had but one principle and one system concerning this subject, before, during, or since the war, and that had generally been the system of Congress, namely, that it was not our interest to hurt Great Britain any further than was necessary to support our independence and alliances."³

¹"John Adams' Works," VII, 269.

²*Ibid.*, VIII, 299.

³*Ibid.*, III, 364.

Events soon proved that, in forming this opinion, Adams had wrongly estimated two most important factors in the problem, namely, the importance to Great Britain of America's commerce, and England's willingness to adopt equitable principles in matters of trade. Perhaps it is inaccurate to say that Adams over-estimated the importance to Great Britain of the commodities produced in the states. He certainly thought they were necessary to her prosperity, almost to her existence, while he was sure that America would get on well enough if enclosed by a Chinese wall.¹ The test was never made; England continued to secure American products on her own terms, and to market her manufactured goods here. The thirteen states could not unite on any system of retaliation against the unjust measures of Great Britain; and no one was quicker than Adams to see that England would yield to no argument save force, where her commercial policy, her navigation system, and, as she believed, the supremacy of her navy, were at stake.² The dream of untrammelled commerce, which Adams had cherished, was rudely dispelled; but when the time for action came, the ideal, so long and firmly believed in, did not stand in the way of practical measures which the interests of the states demanded. For retaliation, Adams warmly advocated high discriminating duties or even the total exclusion of British shipping from American ports. He took no half-way position. In a letter to Jefferson, dated August 7, 1785, he wrote: "We must do more than lay alien duties; we must take measures by which the increase of shipping and seamen will

¹"John Adams' Works," VII, 275.

²*Ibid.*, VIII, 241, 274 and 289.

be, not only encouraged, but rendered inevitable. We must adopt in all the states the regulations that were once made in England, and ordain that no American citizen or denizen, or alien friend or enemy, shall ship any merchandise out of or into the United States, but only in ships built in the United States, and navigated by an American captain and three-fourths American seamen. I should be sorry to adopt a monopoly; but driven to the necessity of it I would not do things by halves."¹

Adams still held the opinion that commerce should be free, that Britain's interests, at least, required the removal of restrictions. In reply to Pitt's question what policy towards America was wise for Great Britain, he said: "I think this country ought to prescribe to herself no other rule, but to take from America everything she can send as a remittance, nay, to take off every duty and give every bounty that would enable her to send anything as a remittance. In this case, America would prescribe to herself no other rule than to take of British production as much as she could pay for."² This opinion was not expressed with any hope that it would be accepted.³ Adams saw the blind obstinacy of the British government, and did not cease his efforts to impress upon his fellow citizens that only by vigorous and united action on the part of the United States, could Great Britain be brought to adopt the system which would be beneficial to both countries.⁴

To secure the freedom of trade which seemed so essential to prosperity, Adams was not only willing

¹"John Adams' Works," VIII, 292.

²*Ibid.*, VIII, 308.

³*Ibid.*, VIII, 390.

⁴*Ibid.*, VIII, 98, 101, 382.

but eager to use, temporarily, the measures of restriction which he deprecated. But the moment that Britain yielded, all American ports were to be again opened and the ideal system of commerce inaugurated. The clearest statement of the position to which Adams was driven, is to be found in a letter to Matthew Robinson, dated March 2, 1786. "The United States are willing to throw wide open every port in their dominions to British ships and merchants and merchandise, and I am ready, in their behalf, to pledge their faith in a treaty to this effect, upon the reciprocal stipulation of this nation, that her ports will be equally open to our ships, merchants and produce. But the United States must repel monopolies by monopolies and answer prohibitions by prohibitions."¹

Adams wrote little or nothing concerning the manufactures which were growing up under state encouragement and which gave rise to as much discussion and action by state legislatures as commerce received. If he had been in Boston instead of in London, his views might have been modified by the same conditions which wrought a change in those of the merchants, tradesmen and statesmen of the United States between 1783 and 1786. At the close of the war they, too, favored freedom of trade; but they soon experienced the evil effects which unrestricted imports brought. They sought relief in a system of encouragement to their own manufactures.

Franklin was, if possible, more extreme than Adams in the advocacy of unrestricted commercial intercourse. He was strongly influenced by the Physiocratic writings, and even before the publication of

¹"John Adams' Works," VIII, 382.

the "Wealth of Nations," taught, as they did, that both parties could gain by an interchange of commodities. In 1767 he wrote: "By mutual prohibitions on trade the common stock of enjoyments and conveniences of life is diminished."¹ A year before the "Wealth of Nations" appeared, Franklin and George Whatley published a pamphlet on "Freedom of Trade," which contains many maxims to be found in Adam Smith.² Even trade with the enemy was justified by Franklin, on the ground that he was sure to obtain the goods desired from some one, and you might as well have the profit. Besides, "no laws which the art of man can devise will or can hinder, or entirely stop, the current of a profitable trade."³

With these advanced ideas as to commerce are naturally found the modern views in regard to gold and silver. They should not be sought for any peculiar intrinsic value, but used as a medium of exchange to procure the commodities really useful. On this point Franklin says: "Materials wanting in a community to employ its inhabitants ought by all means to be procured. Gold and silver, those tokens of riches, and otherwise of little use, are not near so valuable. The bartering of them for such materials is manifestly advantageous."⁴

Contact with the French economists and a study of Adam Smith were not calculated to make the ideas of Franklin more narrow. Indeed, by 1779, he had come to hold the view that man had a natural and inalienable right to trade where he pleased. In a

¹"Franklin's Works," II, 366.

²*Ibid.*, 384.

³*Ibid.*, 386.

⁴*Ibid.*, II, 391.

letter to Sir Edward Newenham he wrote: "I admire the spirit with which I see the Irish are at length determined to claim some share of that freedom of commerce, which is the right of all mankind, but which they have been so long deprived of by the abominable selfishness of their fellow subjects. To enjoy all the advantages of the climate, soil, and situation in which God and nature have placed us, is as clear a right as that of breathing; and can never be justly taken from men but as a punishment for some atrocious crime."¹

Franklin shared the hopes of the other commissioners as to the adoption of a liberal policy by Great Britain after 1783.² But on the failure to realize these hopes, he did not advise retaliatory measures. In writing of the restrictive acts adopted by the states, and later by Congress, his tone was one of apology. He was almost alone among the statesmen of the time in not being converted to a policy of restriction, either temporarily for retaliation or permanently for the encouragement of American industries. Adams, Madison and Jefferson either had less faith in the doctrines they had professed, or a keener perception of the conditions which made free trade inapplicable to the United States in 1785. They were perhaps less doctrinaire in temper than Franklin. Their writings certainly say less of the abstract principles on which commerce should be conducted, than of the conditions which they as legislators were called upon to face.

Madison's expressions on the question of duties were neither so numerous nor so direct as those of

¹"Franklin's Works," VIII, 365.

²*Ibid.*, IV, 39, 514.

Adams, but he left no one in doubt as to his opinion. He made it equally evident that abstract principles would not stand in the way of practical measures which the times rendered advisable. His position was the same as that of Adams: free trade desirable but unattainable, duties necessary both for restrictions and for revenue. In writing to Jefferson, (August 7, 1785) he said: "Much indeed is it to be wished, as I conceive, that no regulations of trade, that is to say, no restrictions on imports whatever, were necessary. A perfect freedom is the system ✓ which would be my choice. But before such a system will be eligible, perhaps, for the United States, they must be out of debt; before it will be attainable, all other nations must concur in it."¹ The conditions here laid down as necessary before free trade could be adopted by the United States, have never been realized. They certainly did not exist during Madison's career as an active statesman. Those who cite Madison as a champion of free trade, either ignorantly or willfully overlook the limitations which he always insisted upon, and quote only his statements of abstract theory. In his writings there is no evidence that he ever held the extreme views maintained by Franklin, or that he believed in the feasibility of an unrestricted commerce as Adams did till 1784.

Madison was eminently a practical statesman; and his testimony is important as showing that Boston was the center of the commercial discontent, and that her complaints were taken up by the other states only so far as conditions made it for their own interest to do so. In June, 1785, he wrote to Monroe: "The commercial discontents of Boston are spreading to

¹"Madison's Works," I, 170.

New York and Philadelphia. If they reach Virginia, it will be because the interests of the planters are affected. The British merchants monopolize the Virginia trade as completely as ever, selling imports high and paying low for tobacco."¹

Madison's letters for 1786 and 1787 express a fear that Virginia was in danger of being carried too far by the rage for restrictive and revenue tariffs. One of these to Washington, says: "The present rage seems to be to draw all our income from trade. From the sample given of the temper of the House of Delegates on this subject, it is much to be feared that the duties will be augmented with a daring hand, that we shall drive away our trade instead of making it tributary to our treasury."² Another letter to Edmund Pendleton, says: "There is a rage at present for high duties, partly for the purpose of revenue, partly for forcing manufactures, which it is difficult to resist."³ Madison was not behind any of his contemporaries in seeing the necessity of vesting Congress with the sole right of regulating commerce and levying duties.

Jefferson's views follow closely those already set forth; but a few extracts may be given by way of further illustration. Like Adams, he was stationed at foreign courts where he could learn what measures were likely to prove effective. And like Adams he swung from a policy of freedom to one of restrictions and retaliations. His early position is shown by a letter to Adams, written in 1785, in which he says: "I think all the world would gain by setting

¹"Madison's Works," I, 150.

²*Ibid.*, I, 268.

³*Ibid.*, I, 271.

commerce at perfect liberty."¹ In regard to the conditions on which the United States wished to treat, he wrote: "When our instructions were made out they were conceived on a general scale, and supposed that all commercial nations would be disposed to form commercial connections with us,"² and again, he wrote: "The system into which the United States wished to go was that of freeing commerce from every shackle. A contrary conduct in Great Britain will occasion them to adopt a contrary system, at least as to that island."³ Jefferson also had to change his golden rule and adopt the plan of doing to others as they do to you, rather than as you would have them do. In writing to Hogendorf in October, 1785, he said: "We wish to do it (promote commerce) by throwing open all the doors of commerce and knocking off all its shackles. But as this cannot be done for others, unless they will do it for us, and there is no probability that Europe will do this, I suppose we may be obliged to adopt a system which may shackle them in our ports, as they do us in theirs."⁴

These extracts show a substantial agreement as to the conditions existing and the remedies which were deemed necessary. Adams, Franklin, Madison and Jefferson, with others who might be quoted, thought that the growth of this country must be in agriculture and commerce for many years, and that it was neither possible nor desirable for the United States to become a manufacturing nation. Restrictions on

¹"Jefferson's Works," I, 371.

²*Ibid.*, I, 455.

³*Ibid.*, I, 479.

⁴*Ibid.*, I, 465.

commerce were permissible only as retaliatory measures, but as such, England's action had made them necessary.

Greater foresight, a strong imagination, different studies and surroundings, perhaps the inborn character of the man, had led Alexander Hamilton, from his youth, to advocate protection. While all trade regulations were being decried and swept away, he preached their necessity. While others were saying that manufactures were impossible for a young country, he maintained the possibility of introducing them in America, and the certainty of their rapid growth if once established. It was not a desire to retaliate or a wish to shut off competition which made Hamilton favor commercial regulations and the encouragement of home industries. Before the feeling against England had become bitter or manufactures were introduced in this country, Hamilton wrote:

"We can live without trade of any kind. Food and clothing we have within ourselves. Our climate produces cotton, wool, flax and hemp; which with proper cultivation would furnish us with summer apparel in abundance. The article of cotton, indeed would do more; it would contribute to defend us from the inclemency of the winter. We have sheep, which, with due care in improving and increasing them, would soon yield a sufficiency of wool. The large quantity of skins we have among us would never let us want a comfortable suit. It would be no unbecoming employment for our daughters to provide silk for their own country. The silk worm answers as well here as in any part of the world. Those hands which may be deprived of business by the cessation of commerce, may be occupied in various kinds of manufactures and other internal improvements. If, by the necessity of the thing, manufactures should once be established, and take root among us, they will pave the way still more to the future grandeur and glory of America, and by lessening its need of external commerce, will render it still securer against the encroachments of tyranny. . . . It would be extremely hurtful to the commerce of Great Britain to

drive us to the necessity of laying a regular foundation for manufactures of our own, which, if once established, could not easily, if at all, be undermined or abolished."¹

A year later in "The Farmer Refuted," Hamilton wrote: "If we were to turn our attention from external to internal commerce, we should give greater stability and more lasting prosperity to our country than she can possibly have otherwise. We should not import the luxuries and vices of foreign climes; nor should we make such hasty strides to public corruption and depravity."²

Thus, even as a college student, Hamilton took a position which he never abandoned. He was, throughout his career, a strong and consistent advocate of all measures which promised to advance American industries. Until the Constitution was adopted, he stood almost alone among the statesmen of first rank in advocating commercial regulations as a necessary and desirable thing in themselves; and he saw clearly that the power to regulate commerce must be vested in the general government. On this question he wrote in 1782:

"The vesting Congress with a power to regulate commerce ought to have been a principal object of the confederation for a variety of reasons. It is as necessary for the purposes of commerce as of revenue. There are some who maintain that trade will regulate itself, and is not to be benefitted by the encouragements or restraints of government. Such persons will imagine that there is no need of a common directing power. This is one of the wild, speculative paradoxes which have grown into credit among us contrary to the uniform custom and practice of the most enlightened nations. Contradicted by the numerous institutions and laws which exist everywhere for the benefit of trade, by the pains taken to cultivate particular branches and to discourage others, by the known advan-

¹"Hamilton's Works," I, 18 and 19 Written December 15, 1774. (References are to Lodge's edition.)

²*Ibid.*, I, 150.

tage derived from these measures, and by the palpable evils that would attend their discontinuance, it must be rejected by every man acquainted with commercial history. Commerce, like other things, has its fixed principles, according to which it must be regulated. If these are understood and observed it will be promoted by the attention of the government; if unknown or violated it will be injured—but it is the same with every other part of administration.

“To preserve the balance of trade in favor of a nation ought to be a leading aim of its policy. The avarice of individuals may frequently find its account in pursuing channels of traffic prejudicial to that balance, to which the government may be able to impose effectual impediments. There may, on the other hand, be a possibility of opening new sources, which, though accompanied with great difficulties in the commencement, would in the event, amply repay the trouble and expense of bringing them to perfection. The undertaking may often exceed the influence and capital of individuals, and may require no small assistance, as well from the revenue as from the authority of the state.”¹

Washington went further than any other leader except Hamilton, in the desire to foster the growth of any industry that was likely to prosper on American soil. He certainly never uttered any very strong sentiment in favor of free trade, nor did he see in restrictions an evil which was allowable only for the sake of a greater good. On one or two occasions he did speak of free trade between all nations as a far off, desirable condition, a sort of millennium to be longed for, but hardly to be expected.²

With the exception of Hamilton, and possibly a few others, the men who directed America's affairs were clearly in favor of free trade, and until 1784, they believed in its feasibility. The conditions of the American states was even more important than the teachings of Smith and the Physiocrats in fostering a desire for freedom of commerce. The great extent of unoccupied territory, the wealth of natural

¹“Hamilton's Works,” I, 254.

²“Washington's Works,” (References are to Ford's edition), II, 85.

resources, the independence and assurance of success which were enjoyed in agricultural pursuits, made it seem probable that our growth must, for a long time, be in agriculture and commerce rather than in manufactures. America was to furnish raw materials to Europe in exchange for manufactured products. This exchange would be profitable to both parties, but especially so to Europe, where the need of new markets for manufactured commodities was beginning to be felt. Indeed, our trade was thought to be a necessity to European countries; without our raw materials they could hardly exist; without a market for their goods they certainly could not prosper.¹

American statesmen were not alone in taking this view. Dr. Richard Price wrote to John Jay in 1786: "I lament continually our wretched policy. We are throwing away the trade and friendship of a world rapidly increasing, and forcing it into the scale of France. Should the issue be a total alienation and the conversion of the extreme of love into the extreme of hatred, the fault will be chiefly ours, and we shall be the greatest sufferers. Trade is essential to our existence. On the contrary, the rage for trade is one of your greatest enemies."² Lord Shelburne also saw the necessity of extending England's commerce, and in 1783 proposed "to make England a free port, for which he said the English were especially fitted by nature, capital, love of enterprise, maritime connections, and position between the old and new world, and the north and south of Europe, and that those who were best circumstanced for trade, could not but be gainers by having trade open."³ Franklin said of

¹"Washington's Works," II, 308.

²John Jay, III, 220.

³"Franklin's Works," IX, 489.

this proposition: "The making England entirely a free port would have been the wisest step ever taken for its advantage."¹ But the ministry which followed Shelburne's was possessed of no such wisdom.

Adams and Franklin, perhaps, did not realize the full value of the privileges which they offered to England in return for a free trade with the West Indies. To determine the wisdom of the policy they advocated, from the American point of view, is to decide whether protection or free trade would have done most for the real advancement of this country. Whether we should have been a better, a greater and a more independent nation with an agricultural population and a large foreign commerce, but a later and slower development of manufacturing industries, than we have become under a growth, often forced, in some ways undesirable, but always rapid, is a question which admits of much speculation, but no certain solution. Looking at the subject, however, from the Englishman's standpoint, no such difficulty arises. England long since adopted, from necessity, and without concession on our part, the policy which our commissioners, in 1783, pointed out as desirable. Adopted then, this policy might have prevented the origin of American protection, which has operated so disadvantageously for the British. The short-sighted policy of restriction to which England clung so tenaciously in 1783, certainly did more than any other one cause to start protection here, first in the states, then in the nation. It was also influential in bringing about the union of the states into a strong nation.²

¹"Franklin's Works," X, 71.

²John Jay, III, 161. The instructions of the town of Boston to John Hancock and other representatives in the General Court, set forth the distressing situation, the unjust acts of Great Britain, the injuries wrought by exporting cash for luxuries, the loss to commerce

In this, as in many other ways, the folly of British foes contributed to American success. In a letter to Lafayette, Washington gave an interesting account of the effect which British restrictions were producing: "Great Britain, in her commercial policy, is acting the same unwise part with respect to herself, which seems to have influenced all her councils; and thereby is defeating her own ends;—the restriction of our trade, and her heavy imposts on the staple commodities of this country, will, I conceive, immediately produce powers in Congress to regulate the trade of the Union; which, more than probably, would not have obtained without, in half a century. The mercantile interests of the whole union are endeavoring to effect this, and will no doubt succeed; they see the necessity of a controlling power, and the futility, indeed the absurdity, of each state enacting laws for this purpose, independent of one another. This will be the case also, after a while, in all matters of common concern."¹

In regard to protection, the advantage to America is not so clearly proved as the disadvantage to England. No one would claim that England gained through the protective policy which she forced upon her rebellious offspring, unless, by a line of far-fetched reasoning, the final adoption of free trade by Great Britain be traced to our protective and the fisheries by closing the West India ports, and the necessity of government encouragement to agriculture, manufactures and commerce. "To correct these evils and add dignity and efficiency to the federal government, your constituents are anxiously solicitous to see Congress invested with a power competent to our common necessities, to a due regulation of our commerce; and to the adjudgment and discharge of the public debt." *Boston Independent Chronicle*, June 2, 1785.

¹"Washington's Works," 10, 478.

retaliatory measures. A connection certainly exists there, but it can hardly have resulted in a net benefit to England to delay for fifty years the adoption of a policy which her position rendered inevitable, merely for the sake of forcing upon America a protective system which Englishmen recognize as disadvantageous to themselves.

The history of our commercial growth shows that if protection had not been forced upon the United States at the outset, industrial conditions would probably have caused its adoption later. Indeed it is difficult to conceive of a nation possessing so many advantages for industrial enterprises of every kind, remaining long an exclusively agricultural people. But all who admit the force of the argument for protection to young industries must admit that progress from a simple, agricultural state, to one of complex industry, such as every advanced nation must have, would have been more gradual without the adventitious stimulus given by protective tariffs and still more by protective war measures. A complex civilization with its cities, its factories, its dependent and vicious classes, was not the ideal of the founders of the Republic, certainly not of Jefferson. But would we exchange it with all its evils, its ignorant, immigrant proletariat on the one hand, its millionaires on the other, its rapidity, its feverish speculations and its panics, for the dull and sober agricultural life which appealed to Jefferson?

Although the American statesmen adopted a policy of retaliation with much reluctance, they had become almost unanimous in support of it by 1785. Before that time the merchants and tradesmen called for protection against a competition which they felt

unable to meet. Some of the states did what they could to meet these demands, but the impossibility of securing uniform action compelled statesmen and manufacturers alike to seek aid from Congress. The proclamation of the British court in 1783 gave rise to the first attempts at retaliation.¹ The continued obstinacy of the British in maintaining and strengthening their policy of restriction, the unfavorable balance of trade, the suffering of merchants and tradesmen, all operated to strengthen the demand for united and effective action to countervail the policy of Great Britain. Governor Clinton, in a message of February 26, 1784, to the New York General Assembly, pointed out the necessity of uniting to meet the common danger:

"With the matters of serious moment which at this time call for your serious examination, is an attempt of the British Court, by proclamation of July last, to monopolize to themselves the trade of the United States with the West Indies, by restricting the importation of American produce to those islands to British vessels only, and the exportation of West India produce into these states to vessels of the same description. It is extremely difficult to hold any intercourse with a nation that will not suffer her commerce with other states to be governed by principles of equality and reciprocity; but that such a spirit of monopoly should prevail in the seller (for Britain as a commercial nation, abounding in manufactures is principally to be viewed in that light), and be arbitrarily held out to the buyer who has his choice of markets, is as inconsistent with the interests of trade as it must be odious and disgusting to those whom it is intended to injure and depress.

"There is considerable ground to apprehend that the action of the British Court, in this instance, is founded on a presumption that the confederated power of the United States is not adequate to prevent the innovation. It becomes, therefore, our interest and our duty to undeceive them, and if the powers given by the confederation are not competent for this purpose, to enlarge them; for it is obvious that any partial exertion of the states, individually, to correct this evil, will prove ineffectual."²

¹Hening, IX, 313. "New York Laws," 1774-1784, 699.

²Boston *Independent Chronicle*, February 26, 1784.

Hamilton says that a convention held at Hartford first suggested to Congress the necessity of a uniform regulation of commerce, and that the bitter experience of thirteen independent legislative bodies in attempts to make satisfactory regulations had caused the recommendation.¹ Legislatures, town meetings and other public gatherings were also calling upon Congress for action. Finally, in the early part of 1784, a committee consisting of Jefferson, Gerry and three others was appointed by Congress to consider the letters and papers relative to commercial matters. The report of the committee, made April 20, 1784, advised: "That it be recommended to the legislatures of the several states, to vest the United States, in Congress assembled, for the term of fifteen years, with a power to prohibit any goods, wares or merchandise from being imported into any of the states, except in vessels belonging to and navigated by citizens of the United States, or the subjects of foreign powers with whom the United States have treaties of commerce."² Howell and Ellery of Rhode Island wished Congress to recommend the states to make the regulations, but they got no support for the substitute. The recommendation of the report was formally made. The full report of the committee is interesting because of the account which it gave of the conditions existing and the reasons for the proposed action. It is therefore printed in the Appendix.

Great as was the need for united and vigorous action, the inertia, the jealousies, and the independence of the states could not be overcome sufficiently

¹"Hamilton's Works," II, 26.

²"Journals of Congress," IX, 185.

to secure for Congress the desired power.¹ One after another the states slowly acted, but in some instances the power granted was different from that asked, in others the time at which Congress should begin to exercise it was fixed. North Carolina even provided for a constitutional amendment giving to Congress the power to regulate commerce.² Pressure was applied to the state legislatures, through town meetings and petitions. An extract from a circular letter sent by the Boston merchants to those in other states shows their position:

"Persuaded, however, that the exertion of individual cities, or even states, without the support of the whole confederacy, will be ineffectual, or, at most, will afford a partial relief, and that nothing short of vesting Congress with full power to regulate the internal, as well as the external commerce of all the states, can reach the mischiefs we complain of, we would, agreeably to the directions of the inclosed proceedings, earnestly recommend to you an immediate application to the legislature of your state, to vest such powers in Congress (if they have not already done so) as shall be competent to the great and interesting purpose of placing the commerce of the United States upon a footing of perfect equality with every other nation, and to request you also to petition Congress (when they shall be thus clothed with authority), to make such internal regulations as will have the happy effect,—encourage an attention to our manufactures, and remove the embarrassments under which our trade at present labors."³

Replies were received from New York, Philadelphia and Baltimore, saying that action had been taken by the merchants of those cities.⁴ At a meeting held in Charleston, South Carolina, "it was agreed to give Congress more power to retaliate against British restrictions, and till then to lay state restrictions on imports of non-treaty nations."⁵ But

¹Boston *Independent Chronicle*, May 27, 1784.

²"Journals of Congress," XI, 41.

³Boston *Independent Chronicle*, May 26, 1785.

⁴*Ibid.*, October 14 and 27, 1785.

⁵*Ibid.*, September 29, 1785.

outside of the seaports, where the competition was keenest and the distress most severely felt, it was hard to get the people to act.¹ The British seem to have understood the difficulty, and based their action on the assumption that the states would not unite under any circumstances. In May, 1786, Adams wrote to Governor Bowdoin: "If an angel from heaven should declare to this nation (i. e., the British) that our states will unite, retaliate, prohibit, or trade with France, they would not believe it. There is not one man in the nation who pretends to believe it, and if he did he would be treated with scorn."² So long as the Confederation continued the British were safe in their unbelief.

Two years after the recommendation of 1784 was sent to the states a committee of Congress reported that four states, Massachusetts, New York, New Jersey and Virginia, had passed laws conformable to the recommendation. Three others, Connecticut, Pennsylvania and Maryland, had granted the power but fixed the date at which it should begin to be exercised. New Hampshire had given power to regulate trade for fifteen years when other states did the same. Rhode Island had given power to regulate trade between the states for twenty-five years, and to prohibit, restrain or regulate the importation only, of goods in foreign vessels. North Carolina had granted powers over foreign commerce similar to those granted by Rhode Island, but unrestrained in duration; and when other states did the same it was to become an article of confederation and perpetual union. The other three states had done nothing;

¹ *Boston Independent Chronicle*, April 21, 1785.

² "John Adams' Works," VIII, 3:0.

and they were earnestly requested to comply with the recommendation. The states which had acted were asked to bring their acts into full conformity, and allow them all to begin when Congress first exercised the power. In October of the same year another report was made which showed still further progress; but action was not yet uniform.¹ North Carolina had merely given her delegates authority to ratify an article of the confederation, giving Congress power to prohibit the importation of goods in foreign vessels. The committee thought that with a little modification of the North Carolina and New Hampshire acts Congress might make the regulations. And "so liberal a disposition to grant the necessary powers on this subject has been manifested, that their not having complied with the recommendation of March last must be attributed to other reasons than a disinclination in them to adopt measures similar to those of their sister states. The committee, therefore, think it unnecessary to detail to them the situation of our commerce languishing under the most ruinous restrictions in foreign ports, or the benefits which must arise from due and equal use of the powers competent to its protection and support, by that body which can alone beneficially, safely and effectually exercise the same."²

The action of each state, however, was conditioned upon like action by every other state. Conformity was never obtained. Congress could no more secure authority to regulate commerce than it could gain the assent of the states to a 5 per cent. impost. Indeed the same causes which made one impossible

¹"Journals of Congress," XI, 41.

²*Ibid.*, 262.

also prevented the other. The history of either measure proves that the Confederation was unable to perform the functions which every government must perform, and causes wonder that a stronger government did not come sooner.

Under the Confederation no attempt was made to combine commercial regulations with revenue measures. The attempts to regulate commerce and those to secure revenue were made independently. It will now be convenient to go back and discuss the efforts made by Congress to secure a revenue tariff; efforts that led directly to that action under the new constitution by which commercial regulation, protection to manufactures and an independent revenue were all obtained in a single measure.

Five years of disregarded requisitions, of growing debt and of increasing difficulty in securing loans, proved to the Continental Congress the necessity of providing a revenue which should not depend upon the caprice of state legislatures for its collection. Accordingly, in February, 1781, a resolution was introduced requesting the states to pass laws granting to Congress a duty of 5 per cent. on all imports.¹ After some debate the phraseology was changed; and the Act as adopted, recommended the states "to vest in Congress the authority to *levy* an impost of 5 per cent. on all goods imported." The change was a momentous one, for upon it hung the fate of this act and its successor. To grant a 5 per cent. impost to be collected by state officers and paid by them into the Treasury of the Confederacy, introduced no principle different from that of collecting taxes to meet the requisitions of Congress; but to vest Congress

¹"Journals of Congress," VII, 24.

with authority to appoint officers in each state, and to collect a revenue which might make the general government independent of the states, was a more serious matter. Congress, nevertheless, had no doubt that the assent of the states would be readily given as soon as the legislatures could be assembled. The only fear was that the presence of the enemy might prevent some of the legislatures from coming together. It was therefore provided that the act should go into effect as soon as all the states, whose legislative bodies could meet, had given it their assent; and governors were urged to convene at once such assemblies as were not in session.

Some states showed a commendable zeal in obeying the wishes of Congress. Within a month Connecticut granted the power desired,¹ and by September her example had been followed by New York, New Hampshire, New Jersey, Virginia and North Carolina, in the order named.² Then came a year's delay, during which the remaining states except Georgia and Rhode Island assented.³ These two were called upon for an immediate and definite answer, and were urged by every consideration of justice, by their love for liberty and union, by the pressing necessities of the occasion, to reply in the affirmative. Georgia did so. The action of Rhode Island alone was wanting to allow the system to go into operation; but as the assent given by each state was conditioned upon a like action of all the others, nothing could be done until the refusing member

¹"Journals of Congress," VII, 54.

²*Ibid.*, pp. 65, 76, 90, 123, 149, 199, 405.

³The "Journals" do not show when South Carolina and Delaware assented; but in the discussion (page 438) it was stated that they had done so.

was induced to perform her duty. A deputation¹ was therefore appointed to visit Rhode Island and impress upon her legislators the absolute necessity of her immediate acceptance of the plan, and the ruin which, if she persisted in refusal, threatened her in common with other members of the Federation. Before the deputation departed, however, a letter was received from the governor of the little state setting forth the objections to the proposed impost and making it evident that she was incorrigible.² To make matters worse, Virginia had withdrawn her consent;³ and thus was lost all hope of securing

¹"Journals of Congress," VIII, 30-31.

²*Ibid.*, 33. The representatives of Rhode Island in Congress voted against the impost measures, advised their state not to assent, and rejoiced that the power was not granted to Congress. They were extremely jealous of any measure which tended to emancipate the federal government from its dependence upon the states. See the declarations of Mr. Howell, delegate from Rhode Island, "Journals of Congress," VIII, 40, 112, 118. He also asked the *Providence Gazette* to publish the following: "Through all the vicissitudes of nearly a century and a half, this little republic has maintained its liberties. It has gained less by the late glorious revolution than several of its sister states while its exertions to effect it have been exceeded by none.

"Your early, decided and persevering opposition to British claims will not rank you higher in the annals of America than the temper, firmness and unanimity, with which you rejected the recommendation for a continental impost of 5 per cent. on the memorable 1st of November, 1782.

"You are the fountain of power, and while you keep the purse string in your hands, you will remain so: part with them (it is of little consequence to whom) and you are undone." *Providence Gazette*, April 12, 1783.

³"Journals of Congress," 116. Virginia's reasons for withdrawing the power were: "Whereas the permitting of any power, other than the general assembly of this commonwealth, to levy duties or taxes upon the citizens of this state, within the same, is injurious to its sovereignty, may prove destructive to the rights and liberties of the people, and so far as Congress might exercise the same is contravening the spirit of the confederation," and so on. Hening, X, 171.

the adoption of the plan which for two years had been so constantly urged.

The finances were now in a worse condition than before: the debt was greater, the states were paying a smaller proportion of the requisitions made upon them, foreign loans were obtained on more rigorous terms, if at all, and a mutinous army was demanding pay.¹ The case seemed hopeless. By no possible stretch of the imagination, could a 5 per cent. duty be expected to supply the constantly increasing needs. But if the states would not grant a 5 per cent. impost, on what grounds could they be expected to agree to a higher one? Conditions of collection might be changed; this was the point which had raised most serious objection; it was therefore decided to allow the states to appoint the collectors, who should, however, be amenable to and removable by Congress. With this concession, it was hoped that the states would agree to a 5 per cent. tax, and in addition to specific duties, somewhat higher, on a few articles of general consumption, which were easily taxed according to quantity.² The

¹Journals of Congress, VIII, 194, 212.

²The specific duties recommended were as follows:

Upon all rum of Jamaica proof, per gallon	\$ 4/90
“ other spiritous liquors.....	3/90
“ Madeira wine.....	12/90
“ other “	6/90
“ common Bobea tea, per pound.....	6/90
“ other tea, per pound.....	24/90
“ pepper, “ “	3/90
“ brown sugar, “ “	½/90
“ loaf “ “ “	2/90
“ all other “ “ “	1/90
“ molasses, per gallon.....	1/90
“ cocoa and coffee, per pound.....	1/90
“ all other goods a duty of 5 per cent. ad valorem at the time and place of importation.	

The duties were estimated to yield \$915,956. But the estimates were made from no precise data. The number of inhabitants, the

proceeds of the impost could be applied only to the discharge of the war debt; and duties were to cease on its extinction. In any event they were to cease at the end of twenty-five years. Besides the impost, which was calculated to yield \$915,956, each state was to contribute its quota of \$1,500,000 annually; and the apportionment was to be made, not, as formerly, in proportion to the value of lands and houses, but according to population, counting three-fifths of the slaves.¹ The plan was debated for one

commerce existing before the war and the imposts at Philadelphia were considered. The report was as follows:

Before the war the exports from Great Britain to America were estimated at £3,500,000 sterling; but there were importations from Ireland and Scotland as well as Holland, not included in the estimate. It is now thought best to estimate all the imports from Europe, exclusive of tea, brandy and wine, at £3,500,000; which at 4s. 6d. per dollar, is \$15,555,554. Impost on this at 5 per cent. equals.....\$777,773.00

On 2,000,000 gallons rum and other spirits...	66,666.60
“ 100,000 “ Madeira wine.....	13,333.30
“ 600,000 “ other wine.....	40,000.00
“ 300,000 pounds Bobea tea.....	20,000.00
“ 25,000 “ other tea.....	6,666.00
“ 7,500,000 “ sugar.....	46,666.00
“ 200,000 “ coffee and cocoa.....	2,222.00
“ 2,000,000 gallons molasses	22,223.00

\$995,550.00

Deduct 8 per cent. for collection..... 79,594.00

Net revenue..... \$915,956.00

“Journals of Congress,” VIII, 212.

¹The circumlocution to avoid the use of the term “slave” which afterwards appeared in the United States Constitution was introduced into this resolution. It is noteworthy that the first draft of the plan reported by Madison, Hamilton, Fitzsimmons, Gorham and Rutledge, did not propose to count the slaves at all. By whom the amendment was made or what the reasons for it were, the Journal does not show. *Ibid.*, 154.

month, and on April 18, 1783, it was adopted with only four dissenting votes.¹

Experience had shown the need of most powerful arguments to induce the states to accept the proposed plan. Accordingly, Madison, Hamilton and Ellsworth were appointed to prepare an address to the states, answering the objections which had been urged against the former impost, and showing the necessity of adopting this one.² Their reasons may be summarised as follows: Effectual provision for the United States debt, now amounting to \$42,000,000, must be made. From existing resources this cannot be paid at once; but the annual interest of \$2,415,956 can and must be met. The mode provided in the Articles of Confederation for supplying the common treasury has proved inadequate. "The delays and uncertainties incident to a revenue to be established and collected from time to time by thirteen independent authorities, is irreconcilable with the punctuality essential to the discharge of the interest of a national debt." A tax on imports offers the best means of raising a revenue, because it is least felt, and hence least odious; it falls on those who are willing and able to pay; a tax on foreign commerce is most compatible with the genius and policy of free states. It will, however, be impossible to utilize this resource without the uniform action of all the states, and Congress is the

¹"Journals of Congress," VIII, 151-171. Georgia was not represented. Both delegates from Rhode Island, Higgenson from Massachusetts, and Hamilton from New York are recorded in the negative. It is difficult to assign a reason for Hamilton's vote unless he was acting under instructions from his state, for he had aided in forming the plan and was on the committee which prepared the address urging its adoption. See also "Journals of Congress," VIII, 189.

²*Ibid.*, 194.

proper agent through which they should act. Mindful of the objections proposed to the former act, this one has been limited to twenty-five years, and the appointment of collectors left to the states, although, if the national credit alone were consulted, the revenue would be made co-existent with the debt, and its collection left in the hands of the power responsible to the government creditors. On this point, however, Congress has yielded to the sentiments of the states.¹ For a more detailed discussion of the reasons on which an impost act was founded, and the equality with which its burdens are distributed among all consumers, the specific answers which had been made to Rhode Island's objections were referred to, and a copy of them was sent to each state. They are of so much importance that they have been given a place in the Appendix.

The authorship of this masterpiece of argument is generally ascribed to Hamilton; but his persuasive powers were used in vain. Clear as was the common interest and the common duty, the states could not all be induced to perform it. The fruitless appeals of former years were repeated with the same barren result. Some of the states, either because they were more patriotic, or because they conceived that they would not be injured by the impost, gave their assent. Of these, Pennsylvania was the first;² and she must have been influenced by motives of patriotism, for her commerce was large, and if the tax would bear heavily on trade, she would suffer as much as any state. Massachusetts sent a memorial upbraiding Congress with excessive expenditures and complained

¹"Journals of Congress," VIII, 194 seq.

²*Ibid.*, VIII, 337.

especially of the measure allowing officers half-pay for life.¹ She was in no mood to trust Congress with a fund which could not easily be withheld.² Congress repeatedly renewed the appeals of its predecessor,³ stated that the system was the best which could be devised, that there had not been and could not be one valid objection to it. And yet the people did not instruct their representatives to give the consent which every consideration of duty enjoined upon them.

In February, 1786, almost three years from the time the act was recommended by Congress, four states, New York, Georgia, Rhode Island and Maryland had not assented.⁴ By August of the same year, New York remained the one selfish objector. Even Rhode Island, the cause of failure before, had at length acceded. The gravity of the situation induced Congress to pass a resolution asking the governor, George Clinton, to call a special session of the legislature to secure the final ratification of the impost which, in one form or another, had been urged upon the states for five years. The governor regretted to say that for constitutional reasons, it was impossible for him to comply with the request. An extra session could be called only for extraordinary business. This question had been before the assembly several times, and at the session just adjourned it had been determined in the negative, so there could be no warrant for calling an extra session.⁵

¹"Journals of Congress," VIII, 379, 382.

²An extract from the Massachusetts house of representatives Journals is printed in the Appendix to show the difficulties which the measure encountered and the influence which John Adams exerted.

³"Journals of Congress," XI, 27, 35, 198.

⁴*Ibid.*, 35, 153.

⁵*Ibid.*, XI, 194.

Again a resolution of similar purport was introduced into Congress, and its text will show what was thought of the situation: "Resolved that the present critical and embarrassed condition of the finances of the United States is such, as to require that the system of imposts be carried into immediate effect. That New York being the only state which has not adopted the same, the United States, in Congress assembled, deem this occasion sufficiently important and extraordinary, to request that the legislature of the said state be convened for the purpose of taking the said system into their immediate and serious consideration, and granting the same in the manner recommended by the resolution of April 18, 1783."¹ On this question all the states, from Pennsylvania, north, voted no. Those south of Pennsylvania favored the resolution. Unfortunately there are no records of the debates from which the reasons for the action of each section might be learned. Nor is there record of another serious effort to secure the agreement of the one state on whose acceptance the whole system depended. A stronger government had to be called into being to settle this and many other difficulties.

IV.

THE TARIFF ACT OF 1789.

The tariff of 1789 has been called a revenue measure, and its low rates are urged as conclusive proof of its non-protective character. In view of the enormously high rates which the tariff legislation of recent times has associated with the idea of protec-

¹"Journals of Congress," 192.

tion, this reasoning seems plausible and has been accepted with little or no question.¹ Convincing proof, then, will be required to change the accepted view. An historical examination of the subject furnishes three kinds of proof that "the encouragement and protection of manufactures" was at least as important as any other motive in securing the passage of the act which laid the foundation of our tariff system.

I. The action of the states furnished the experience on which the national legislators based their proceedings. In a preceding chapter it was shown how thoroughly protective state legislation had become.

II. The measures taken by England to secure the monopoly of the carrying trade, in addition to the virtual monopoly already possessed in the manufacture of commodities which formed the bulk of American imports, had so angered and aroused the

¹See, for example, H. C. Adams, "Taxation in the United States, 1789-1816," 8.

Condy Raguet, in "Principles of Free Trade," (printed 1835), 9, says: "Can any man seriously believe that in the year 1789 a duty of five per cent. could have been in any degree imposed for the purpose of encouraging the growth of manufactures? The idea is preposterous, and this will be manifest to all who reflect for a moment upon the fact that, at the period designated, agriculture was so clearly the natural and most profitable channel for capital and labor to flow in, that higher duties would have been required to divert them from that employment than are required at the present day. Let the idea then be forever discarded as unworthy of reliance, that the Act of 1789 was, in the most remote degree, designed for the protection of manufactures. It could not possibly so have been, if the application of means to an end was a branch of knowledge possessed by those who framed it, and it is evident that the absurdity of so misplaced a reason was soon discovered, for it was omitted in the next act on the same subject and has never since been restored."

Americans, that the free trade ideas of the early revolution vanished with the political freedom which made possible industrial and commercial freedom; a freedom to be found in the development of domestic resources, rather than in foreign trade, carried on under the inequitable system of the eighteenth century.

III. The most important evidence of all is to be found in statements, by the men who made the tariff, of the motives which actuated them in imposing the duties. One needs no other evidence than that afforded by the debates in the first Congress, on the tariff question, to establish the protective and retaliatory nature, as well as the historical basis, of the impost act finally adopted. An account of this discussion will, therefore, be given.

Very soon after Congress first met, in April, 1789, Madison, recognizing the pressing need of revenue, offered a resolution, calling for the adoption of the impost, which from 1783 to 1789, Congress had, in vain, urged upon the states. He stated distinctly, that the object of the measure was to raise revenue, and that it was to be a temporary expedient, to remain in force only until a comprehensive system could be arranged.¹ The act proposed had been dis-

¹"Annals of Congress," I, 102.

Fisher Ames, in a letter to Mr. Minot, dated May 29, 1789, wrote: "One of his (Madison's) first speeches in regard to protecting commerce, was taken out of Smith's 'Wealth of Nations.' The principles of the book are excellent, but the application of them to America requires caution. I am satisfied, and could state some reasons to evince, that commerce and manufactures merit legislative interference in this country much more than would be proper in England. The drain that is making of our people beyond the mountains, and the want of sufficient intercourse between the manufacturing and staple states, the British credit,

cussed in each state, the opinions of the members as to its merits were already formed; and without the delay necessary for discussing and arranging a new measure, the one proposed might be adopted immediately so as to secure a revenue from the spring importations. A number of members expressed their agreement to the plan proposed by Madison; a few because they favored revenue measures, others because they wished to obtain revenue by temporary duties until a more extensive tariff system could be devised.¹ Fitzsimmons, on the other hand, recognizing the difficulty that must be encountered in changing a law once enacted, determined to forego the revenue which a temporary measure would produce, and to delay action until a system could be devised, which would not only furnish the needed revenue, but would do what he thought even more important, namely, give encouragement to the industries which, under state aid, had already made considerable progress. He therefore moved to substitute for the plan offered by Madison, the Pennsylvania system of protection.² He did not offer it in terms as the Pennsylvania system; but he proposed a list of articles, all of which, with six unimportant exceptions, were taxed by the state act of 1785. Each item was to be discussed in committee of the whole and the rate fixed at the point agreed upon by the British agents, etc., are among the circumstances which furnish those reasons. I am clearly of the opinion that the navigation and manufactures of America cannot well be too much encouraged." Ames' "Works," I, 49.

In some of his speeches, however, Madison made almost as many exceptions in favor of protection as Ames did; see his speech on p. 113 seq. of the "Annals of Congress."

¹"Annals of Congress," I, 103-105.

²*Ibid.*, 106.

members, after comparing views, stating the experience of the several states, and thus deciding what would work best for all.

Two plans were now before Congress. The revenue system of Madison apparently had everything in its favor. It was simple, well known, could be at once adopted,—a point of great importance in view of the empty treasury and the pressing debts; and it would satisfy the wants of those who believed in a revenue tariff, pure and simple. The other measure, urged by Fitzsimmons, for protection, must overcome serious obstacles. It was new; it had not been recommended by Congress as a plan suitable for the whole Union, and had not been discussed in every state, as was the case with the revenue measure. Much time would be required to arrange a schedule, and with all the precaution that could be used, the taxes would bear unequally on the people of the different states. Virginia and South Carolina especially feared injury to their chief industry, agriculture. Besides, knowledge of the workings of the state protective tariffs, on which the proposed act was based, was very meagre. Everything, indeed, except a strong desire for immediate protection, seemed to be against the plan of Fitzsimmons. The advocates of Madison's plan, however, did not oppose the other because of its protective features. They urged every other reason against its adoption, but not once did they say that protection to American industries would be unconstitutional or even undesirable.

After full discussion and due deliberation, the protective duties, proposed by Fitzsimmons, were preferred to the revenue duties advocated by Madison.¹

¹"Annals of Congress," I, 120.

Thus in the very beginning of United States tariff legislation protection found the place which it has maintained, with little interruption, till the present day. Then, as now, Pennsylvania was the leader in seeking encouragement for domestic industries. The other states, however, were more willing followers in 1789 than they have been on some occasions since that date. It is true that objection was made by the members from South Carolina, to the rates on certain articles, but in the House no voice was raised against the principle of protection. Even the South Carolina members asked that their great interest, agriculture, might receive protection. They were especially desirous to have the raising of hemp stimulated by a duty.

Perhaps the decision then made does not deserve more than the scant attention which it has received. It may not have modified our later tariff history perceptibly. It is possible that if the simple revenue measure, advocated by Madison, had been adopted then, it would have been superseded at a slightly later date by a protective act similar to the one which secured favor in 1789. If such a result had followed, then, indeed, it was a matter of small moment whether the protective principle was incorporated in our tariff legislation in 1789 or in 1790. On the other hand, one can picture very different results following the rejection of a protective measure at the beginning of our government, especially if the rejection had been made, not for the purpose of securing immediate revenue, but because of a real opposition to the principle of protection.

Fitzsimmons was certainly right in thinking that protection could be secured more easily in the first

tariff act adopted than by a later effort to supersede a revenue measure which had given satisfaction. The effort might have proved in vain. The revenue measure might have been continued,—duties increased to secure more revenue,—no distinct avowal of protective purposes made,—and no great difference in our early history would have resulted. But what would have been the effect of such action upon later times? When, in the opinion of Congress, protection was clearly necessary, would the precedent set by the framers of the Constitution have been broken? The Constitution has seldom, if ever, prevented the adoption of any measure really desired by a great majority of the people. Neither can it be said that the rejection of a protective tariff by the first Congress would have proved such a measure to be unconstitutional. But it would have shown the interpretation which the founders of our government put upon the instrument which they had framed. Such an interpretation is entitled to great weight. It might have been considered sufficiently important by succeeding generations to turn the scale of tariff discussion against protection. A decision against the principle of protection in 1789, or even the adoption and continuation of a revenue measure for a few decades, would have left ground for the party of strict construction to say: “The general government has no power to lay taxes for protective purposes.” The decision which was made certainly carries equal weight in favor of the position taken by the opposite party. Neither Madison nor any other member questioned the authority of the government which they had created, to levy taxes high enough to give any

desired protection, or even to prohibit importations for the same purpose.

The evidence of protective intention does not stop with the choice between the two measures. The Congress of that day did not merely decide upon the principles of a measure and then instruct a committee to prepare a bill in accordance with those principles. Having determined that a protective tariff was necessary, the whole House proceeded to consider the details of such a measure.¹ Of course the vast amount of business which comes before Congress in these latter days does not permit the full and free discussion which it was then possible to give to each important question. A tariff bill, with its numerous details,—with the necessity of adjusting rates to suit the needs of great industries,—can be prepared more advantageously by a committee than by a body so large and unwieldy as the United States Congress has grown to be. If, however, Congress could again become a deliberative body, and if the reasons for supporting or opposing the details of a tariff bill could be given as freely as were the reasons for laying protective duties on the few articles which were deemed worthy of protection in 1789, there would certainly be less room for alleging that private interests affected public legislation. Then the existence, or the possible existence, of any industry was deemed sufficient reason for the encouragement which was openly and avowedly given. Each industry which had been started in any state, and which gave the least promise of success, was championed by the members from that state. At times they argued that the whole Union would gain by whatever bene-

¹ "Annals of Congress," I, 123.

fitted a part; again, that it was necessary to render the nation independent of foreigners, even at some present sacrifice; or again that what was lost to any section by consenting to duties on one article would be made up to it by protection to its own productions. Here, too, a free use of extracts from the speeches made in Congress is the best means of giving the reader a true conception of what was done and of the grounds on which action was based.

Pennsylvania had already made some progress in the production of steel and wished the general government to continue the aid which the state had given to that industry. In making this request Mr. Clymer said:

"The manufacture of steel in America is in its infancy; but as all the materials necessary to make it are the produce of almost every state in the Union, and, as the manufacture is already established and attended with considerable success, I deem it prudent to emancipate our country from the manacles in which she has been held by foreign manufacturers. A furnace in Philadelphia, with a very small aid from the legislature of Pennsylvania, has made three hundred tons in two years, and now makes two hundred and thirty tons annually; and with a little further encouragement will supply enough for the consumption of the whole Union. I hope, therefore, that gentlemen will be disposed, under these considerations, to extend a degree of patronage to a manufacture which a moment's reflection will convince them is highly deserving of protection."¹

Local interest at once entered. South Carolina did not, and in all probability would not, produce any steel, so her representatives could not consent to a burden for the benefit of the northern states. Their views were expressed by Tucker, who considered "the smallest tax on steel to be a burden on agriculture, which ought to be an interest most deserving of protection and encouragement." He

¹"Annals of Congress," I, 147.

avored a bounty on steel rather than a tax, but would agree to a duty of five per cent. "That was as great encouragement as ought to be granted. He would not oppose that being laid."¹ Fitzsimmons took a broader view. "Local consideration should be placed aside. Every state will feel itself oppressed by a duty on particular articles, but when the whole system is completed the burden will be equal on all.

. . . What operates to the benefit of one part in establishing useful institutions will eventually operate to the advantage of the whole."² The majority agreed with the reasoning of the Pennsylvania members and granted the desired protection.

Ames, of Massachusetts, desired that the manufacture of nails should receive encouragement. It was an industry of a very useful character; it did not require great capital or skill; the product was clear profit, except the raw material, for nails were made in the evenings and at unemployed moments. "The manufacture is prodigiously great in Massachusetts," he said, "and may be elsewhere, if people will exert equal industry. It has grown up with little encouragement to an astonishing degree of perfection."³ Sherman favored the tax because every state could soon make enough for its own consumption. The southern members again thought that the loss would be greater than the gain and so opposed the tax.

Madison feared that a duty on nails would operate as a tax on ship-building; and Lee feared that it would prove a burden on the improvement of estates. As usual, it was Tucker who made the most vigorous

¹"Annals of Congress," I, 148.

²*Ibid.*, 148.

³*Ibid.*, 156.

objection. "He judged from what had been said of the flourishing condition of the manufacture, that it needed no encouragement. Why lay a duty on foreign nails if you can make them as good and as cheap? Will not the five per cent. duty with freight and shipping charges be sufficient encouragement? He thought so, and was averse to any other duty."¹ To the objections of the southern members, Ames replied:

"The commerce of America, particularly of the southern parts, has, by force of habit and long connection, been setting strong upon the British coast; it will require the aid of the general government to divert it to a more natural course. Good policy and sound wisdom demonstrate the propriety of an interchange between the different parts of the union. To procure this practical good, some force is necessary. Laying a small duty upon foreign manufactures may induce, from motives of interest, as well as inclination, one fellow-citizen to barter with or buy of another, what he has long been accustomed to take from strangers. Allowing this remark its due weight, I have no doubt but that the committee will concur in laying a small protecting duty in favor of this manufacture. Again, from the situation of the manufacturer in Europe and the one in America, this encouragement is necessary. There stern necessity, with her rod of iron compels his exertion; here, invitation and encouragement are necessary; without them the infant manufacture droops, and its patron seeks, with success, a competency from our cheap and fertile soil."¹

The tax on nails was not a matter of vital importance to the central states, because they were already able to meet competition. Fitzsimmons thought that the industry was sufficiently established to make nails better and cheaper than they could be imported. Nevertheless he was willing to allow a small duty "because it conforms to the policy of the states, who think it proper in this manner to protect their manufactures."²

¹"Annals of Congress," I, 157.

²*Ibid.*, 158.

Although not insisting upon a tax on nails, or any other commodity the manufacture of which was sufficiently established, Fitzsimmons was strongly in favor of an impost on beer. "This industry," said he, "is one very deserving of encouragement. . . . The small protecting duties laid by Pennsylvania have had a great effect towards the establishment of breweries; we no longer import this article, but, on the contrary, export considerable quantities, and in two or three years, with the fostering aid of government, will be able to furnish enough for the whole consumption of the United States."¹ He therefore moved a tax of nine cents per gallon. Lawrence, in seconding the motion, said: "I would have this duty so high as to give a decided preference to American beer; it will tend also to encourage agriculture, because the malt and hops consumed are the product of our own grounds." Gale thought that nine cents would be too high, because it would give American brewers a monopoly. To this Sinnickson replied, laying down the doctrine as to the effect of domestic competition, which has been heard in all tariff debates since that day. He said: "If the duty is high enough to effect a prohibition, the manufacture will increase and, of consequence, the price be lessened."² He also favored the tax because of the aid it would give to agriculture.

Madison, the next speaker, spoke clearly in favor of protection: he moved to fix the duty at eight cents. "He did not think this would give a monopoly, but hoped it would give such encouragement as to induce the manufacture to take deep root in every

¹"Annals of Congress," I, 144.

²*Ibid.*, 144.

state in the union. In this case it would produce the collateral good hinted at by Sinnickson, which was an object well worthy of being attended to. In the state of New York, the article pays a duty of six cents on importation, and if brought in foreign vessels eight cents; and yet quantities of it are still imported, which proves that an eight cent tax will not amount to prohibition."¹ These views met no serious opposition, and easily prevailed.

Fitzsimmons moved a duty of two cents per pound on candles. He thought that amount of protection desirable, because "the manufacture of candles is an important industry and far advanced towards perfection. I have no doubt but in a few years we shall be able to furnish enough to supply every part of the continent. In Pennsylvania we have a duty of two pence per pound, and under the operation of this small encouragement, the manufacture has gained considerable strength. We no longer import candles from Ireland and England, from whom, a few years ago we took considerable quantities; the necessity of continuing those encouragements which the state legislatures have deemed proper, exists in a considerable degree; therefore it will be politic for the United States government to continue such duties till their object is accomplished."² Again the objector, Tucker, wished to have this article struck from the list. But Boudinot thought that considerable quantities of candles were imported from Russia and Ireland. "They will be made cheaper than they can be imported if a small encouragement is held out by the general government, as the materials are to be

¹"Annals of Congress," I, 145.

²*Ibid.*, 146.

had in abundance in our country." Lawrence, too, favored a considerable tax, "as it tends to cherish a valuable manufacture."¹ And without further objection the duty of two cents per pound was agreed to.

In Maryland, a successful attempt to manufacture glass had been made, and Carroll thought that with a small encouragement the industry would be permanently established. He therefore asked for a duty of 10 per cent., which was given without objection.²

The manufacture of paper had grown to great importance in Pennsylvania, and of course must be encouraged to still further growth. Clymer informed the House "that the paper mills in his state had become so numerous, as to be able to supply a very extensive demand in that and neighboring states. They produce annually about 70,000 reams of various kinds which is sold as cheap as it can be imported. The manufacture certainly is an important one, and having grown up under legislative influence it will be wise to continue it."³ A duty of 7½ per cent. was agreed to without debate. Sherman thought that the tax on manufactured tobacco should be prohibitory, and on his motion a duty of 6 cents per pound was laid.⁴ Connecticut wanted protection on the anchors she was making; at the request of Goodhue the duty was fixed at 7½ per cent.⁵ The manufacture of wool cards had become of importance in Massachusetts and Pennsylvania. Ames said they were made in his section as good and as cheap as the imported ones: and Clymer said that the manufacture was

¹"Annals of Congress," I, 147.

²*Ibid.*, 167.

³*Ibid.*

⁴*Ibid.*

⁵*Ibid.*, 168.

carried to great perfection in his state. Enough could be furnished to supply the demand. The importation was therefore discouraged by a tax of 50 cents per dozen.¹

Comment could not add anything to the clearness with which these extracts show the position taken by the members of the first Congress on the question of protection to manufactures.

As to the advisability of offering encouragement to agriculture there was a difference of opinion. The discussion of this question arose over a proposition, made by Madison, to lay a tax on hemp. The duty was proposed and advocated for the avowed purpose of aiding the farmers; and the representatives of the strictly agricultural sections, strongly supported the measure. Burke, of South Carolina; Moore, White, and Madison, of Virginia, and Heister and Scott, of western Pennsylvania, were especially anxious to secure this favor for their constituents. Their arguments may be summarized as follows: They were sure that the southern and western parts of the country were well calculated for the cultivation of hemp; and with the encouragement now proposed, vast quantities would be brought in a year or two from the Ohio to Philadelphia. The inhabitants of the frontier region were expecting some encouragement, and would be grateful for it. Indeed it would be hard to persuade the farmer that his interest ought to be neglected while the artisan was aided. America was an agricultural country and her great industry should receive due encouragement. If the legislature took no notice of this article the people would be led to believe that it was an object not worthy of

¹"Annals of Congress," I, 168.

encouragement, and the spirit of cultivation would be dampened; whereas a small duty would show them that it was a desirable object and would lead to increased production, so that, in a short time, the domestic demand would be supplied and great quantities afforded for exportation. Hemp could bear the expense of transportation much better than any kind of grain, and even if it did not find an outlet through the eastern ports, great flat boat loads of hemp would soon be floating down the Mississippi. Besides, a political consideration should influence the action of Congress in this matter. The pioneers, fast flocking to the rich valleys of the west, should be attached to the Union by the strong ties of financial interest. They should be made to feel that their interests would receive as much encouragement as was given to other classes.

To these arguments the representatives of the shipping and manufacturing interest, replied somewhat as follows: It might be possible to raise hemp here, both for domestic use and for exportation. In fact, it had been done in colonial days; and if the farmers had not found that they could raise other crops more profitably they would have continued to grow hemp. A clear distinction, however, should be made between taxing manufactures and taxing raw materials. It would be much better to give a bounty than to impose a protective duty on an article so much used in a great and important industry. If hemp was taxed, the duties on cordage must be increased enough to compensate for the extra cost of the raw material. We were destined to become a great maritime nation and no hindrance should be placed in the path of maritime advancement.¹

¹"Annals of Congress," I, 149 to 152.

Between the two interests a compromise was effected. The manufacturing and commercial classes yielded to the agricultural, because the latter had submitted to be taxed for the promotion of manufactures. But as it was too late for the crop of hemp to be increased before another year, the duties were not to be collected until December, 1790.

The wants of the manufacturers and agriculturists having been satisfied, the needs of the shipping interest next received attention. Here again South Carolina made a feeble objection to a tax that she feared would bear unequally upon her, but without much discussion a heavy discrimination was made in favor of American vessels. They paid but 6 cents per ton, those of nations with whom we had commercial treaties paid five times as much, while all other vessels were required to pay 50 cents per ton,—more than eight times the amount paid by American vessels. Besides this heavy discrimination in the tonnage tax, a deduction of 10 per cent. was made from the duties on all goods imported in American bottoms.¹

To secure to the American merchants the East India trade, which they had already opened up under the encouragement of New York and Pennsylvania, all goods imported from China or India, in foreign vessels, were required to pay 12½ per cent. Tea, imported directly from China in American vessels, paid 6 to 20 cents per pound, according to quality. If imported from Europe in American vessels, the duties ranged from 8 to 26 cents. But if imported in foreign vessels the tax was from 15 to 45 cents per pound. This was certainly a good degree of pro-

¹“Annals of Congress,” I, 168-169.

tection; and the reason for its existence was given by Fitzsimmons in the following language:

"The tax is meant not only for revenue, but as a regulation of commerce highly advantageous to the United States. The merchants of this country have, from a variety of circumstances, and finding their trade restrained and embarrassed, been under the necessity of exploring channels to which they were heretofore unaccustomed. At length they have discovered one which bids fair to increase our national importance and prosperity, while at the same time it is lucrative to the persons engaged in its prosecution. I mean, sir, the trade to China and the East Indies. I have no doubt but what it will receive the encouragement of the general government for some time to come. There is scarcely any direct intercourse of this nature but what requires some assistance in the beginning: it is peculiarly necessary in our case, from the jealousy subsisting in Europe of this infant branch of our commerce. It has been thought proper, under some of the state governments, to foster and protect a direct communication with India. I hope the government of the United States has an equal disposition to give this trade their encouragement. The legislature of Pennsylvania granted aid by discriminating in the manner proposed and with like aid from the government of the United States, the merchants may no longer fear the machinations of the opulent companies of Europe."¹

One other industry remained; it too was given attention at the request of the Virginia members. Bland stated that there were coal mines just opened in Virginia, capable of supplying the whole United States; and if some restraint was laid on the importation of coal these mines might be worked to advantage. He therefore moved a duty of 3 cents per bushel. Hartley, of Pennsylvania, feared that a tax on coal would discourage manufactures, and moved to reduce it to 1 cent. Parker replied, that less than 3 cents would not answer because large quantities came from England as ballast, and could be sold so cheap as to prevent working the Virginia

¹"Annals of Congress," I, 141.

mines. "He hoped, if the committee were disposed to encourage them, they would proportion the means to the end; a duty of 1 cent would be void, nothing under 3 cents could answer the purpose. He hoped, therefore, that the committee would agree to 3 cents."¹ The committee agreed.

Duties were laid on other articles, but it is not necessary to go through the whole list. The same arguments were offered again and again; the result was always the same. Each member asked for and secured protection on the articles produced in his state; and each member opposed taxes which he thought were likely to prove burdensome to his constituents. Constant reference was made to the duties of the states to illustrate the probable working of the national taxes. Naturally, the states which were more densely populated, and had already made some progress in manufactures, asked for the greatest amount of protection. Equally natural was it that South Carolina, and other thinly settled states, whose products found a ready market in foreign countries, and whose wants were supplied almost entirely by imports, should object to taxes on commodities which they did not produce at all. At times these objections were vigorous. Often was it stated that the South was being overburdened, that the weight of the impost was greater than any benefit she would derive from union. But among all the objections urged in the House against the duty on any particular article, not once was the constitutionality of protection questioned. And, as before stated, both South Carolina and Virginia sought protection on the few articles where it was thought likely to prove

¹"Annals of Congress," I, 170.

beneficial to them. From Massachusetts also came vigorous protests when her pet industry, the manufacture of rum, was threatened by a high tax on molasses. Massachusetts insisted, with all her strength, that the raw material for so important an industry as the making of rum should not be taxed; or, if taxed, the rate must be low. No one objected to giving encouragement to any industry which it was desirable to foster, but the product of the distillery was so pernicious that many members were opposed to allowing it any encouragement. Madison led the forces which opposed giving aid to this industry; but all the strength he could command was not sufficient to prevent the protection of this, the most undesirable of American industries. In nothing is the strength of the protection sentiment more clearly shown.¹

No complete record of the debates in the Senate was kept; the evidence of the action there is only fragmentary. The notes taken by William Maclay, a Senator from Pennsylvania, give some account of the discussion in the Senate. He was an ardent advocate of protection, and wrote down the arguments which he used in support of the measure. Vested interests had some weight with him. He thought the United States government was bound to fulfill the engagements which the protective acts of the states had virtually made to the manufacturers.² In his journal for June 2 he writes:

"After some preliminary business, proceeded on the impost bill without much opposition till we came to fifteen or sixteen articles, which all stood at $7\frac{1}{2}$ per cent. The most of these articles stood in the old protecting duties of Pennsylvania at 12 per cent. I feared

¹"Annals of Congress," I, 173-174.

²"Sketches of Debates," 63.

much the spirit of reduction would get into the opposers of the impost, and that they would be for lowering everything. From this sole motive I would have moved an augmentation by way of securing the duty where it was. However, here I had better ground. I set out with naming over the greater part of the articles on which the protective duties of Pennsylvania were 12½ per cent. and 13 per cent. in New York. I reasoned from the effect of these duties on the promoting the manufactures. But by the present law the manufacturers would stand on worse ground by 5 per cent. than they had done under state laws; and although the United States were not absolutely obliged to make good the engagement of the states to individuals, yet as the individuals had embarked their property in these manufactures, depending on State laws, I thought it wrong to violate these laws without absolute necessity. I was, as usual, opposed by the Southern people."¹

Maclay's journal also furnishes interesting information in regard to the opposition which had to be overcome. This seems to have been actuated by self interest entirely, but from two different sources. The importers and merchants wished to secure as large a stock of goods as possible before the Tariff Act came into operation. Goods were stored in New Jersey, where no duties were paid, and when the State tariffs were superseded by that of the United States they could be taken into New York or Pennsylvania for sale.² The price of imported goods was raised in anticipation of the duties, so that "a million dollars was paid by the people which did not find its way into the treasury."³ This opportunity for extra profit made the merchants desire to delay the passage of the impost act as long as possible. What means were used to accomplish this purpose the journal does not state. It merely says:

¹"Sketches of Debates," 68.

²*Ibid.*, 57.

³*Ibid.*, 70.

"Remarkable influence is exerted to delay the bill till they get in all their summer goods."¹

The other source of opposition mentioned by Mac-
lay was not so purely personal and selfish as was that
of the merchants. It was sectional rather than indi-
vidual. Each section and, to a less degree, each state,
sought to have the tariff arranged in its own inter-
est. The middle states may have been in a position
to gain more and lose less than those at the North or
South, or they may have been more patriotic, or the
difference may have existed only in the mind of the
writer; but Maclay certainly credited them with a
more liberal spirit. After discussing the question at
some length in his journal, he wrote:

"I will now memorandum one remark. The Senators from New
Jersey, Pennsylvania, Delaware and Maryland, in every act,
seemed desirous of making the impost productive, both as to reve-
nue and effective for the encouragement of manufactures, and
seemed to consider the whole of the imposts (salt excepted) much
too low. Articles of luxury, many of them would have raised one-
half. But the members, both from the North and more particu-
larly from the South, were ever in a flame when any articles were
brought forward which were in considerable use among them."²

In the Senate, as in the House, the members from
South Carolina were most constant and most violent
in opposition. Butler went far beyond Tucker, and
even foretold South Carolina's action in 1832. "He
flamed away and threatened a dissolution of the
Union with regards to his state, as sure as God was
in the firmament. He scattered his remarks over the
whole impost bill, calling it partial, oppressive, and
solely calculated to oppress South Carolina. His state
would live free or die glorious," and so on. "He even
moved to strike indigo from the tariff list, and said

¹"Sketches of Debates," 74.

²*Ibid.*, 77.

Carolina was not obliged to us for taking notice of her affairs."¹ Butler seems to have been alone in carrying state interest and state pride to this violent extreme. The other Senators got what they could for their own states, and were willing to make concessions to others.

Washington had fully accepted Hamilton's views, and his messages to Congress urged the encouragement of domestic industries. His letters, too, show what progress had been made in manufactures and what was the feeling in regard to them. A letter to Lafayette, written a few months before the act of 1789 was passed, reflects faithfully the hope and the faith of the time:

"Though I would not force the introduction of manufactures by extravagant encouragement, and to the prejudice of agriculture, yet I conceive much might be done in that way by women, children and others, without taking one really necessary hand from the tilling of the earth. Certain it is, great savings are already made in many articles of apparel, furniture and consumption. Equally certain it is that no diminution in agriculture has taken place at the time when greater and more substantial improvements in manufactures are making, than were ever before known in America. In Pennsylvania they have attended particularly to the fabrication of cotton cloths, hats and all kinds of leather. In Massachusetts they are establishing factories of duck, cordage, glass and several other useful and extensive branches. The number of shoes made in one town and nails in another is incredible. In that state and Connecticut there are also factories of superfine and other broad-cloths. I have been writing to our friend General Knox, this day, to procure me homespun broadcloth of the Hartford fabric, to make a suit of clothes for myself. I hope it will not be a great while before it will be unfashionable for a gentleman to appear in any other dress. Indeed we have been too long subject to British prejudices."²

To Jefferson he wrote in a similar strain and said: "A desire of encouraging whatever is useful and

¹"Sketches of Debates," 77.

²"Washington's Works," II, 353.

beneficial seems now generally to prevail."¹ In two letters he suggested to Governor Randolph a plan by which Virginia should increase the raising of sheep and foster the woolen industry. His interest had been aroused, and this plan suggested, by a tour through the New England states, and a sight of what had been accomplished there. He wished his own state to follow the example of Connecticut.²

Thus by 1790 the whole tone of the controversy had changed, or better, the controversy had yielded to a general agreement to encourage manufactures in this country. The ten years from 1780 to 1790 furnish a most instructive study of the growth and change of feeling on the question of commercial regulations and restrictions. The decade may be divided into three periods. During the first the colonial conception of agriculture as the great industry, and of a commercial dependence on Europe, held sway. The gain which political independence had brought was to be secured by removal of the restriction to one market in Europe and by freedom to select the best. There was hardly a thought that America could become a manufacturing nation, industrially independent. Trade on favorable terms would be possible, because the products of our soil were in demand abroad; to get them the nations of Europe would consent to just and equal terms. The narrow and unjust restrictions which had been maintained in every country in Europe for centuries would be abandoned as soon as the example of the United States proved the benefits of absolute free trade. Such were the views held by Americans till 1784.

¹"Washington's Works," 358.

²*Ibid.*, 446.

The duties then imposed were light revenue taxes made necessary by the war debts.

Bitter experience dispelled this dream. Restrictions were met by counter restrictions, in the hope that a system of free trade would be secured. It was thought that the importance of our products, especially to England, would soon bring her to terms, and that freedom of trade would be secured. Domestic industries were fostered chiefly as a means of rendering us stronger in the commercial struggle. This phase lasted till 1786 or 1787.

As the chance of success in retaliatory measures became less, as England and other countries maintained firmly their restrictive measures, and as American industries grew and prospered, men began to see a possibility of broader and stronger development. The industries might by some further aid be rendered permanent; and with the establishment of each new industry, dependence on the old world was lessened. A new patriotism was awakened, and the people began to take measures to foster her industrial growth. This stage had been reached when the Constitution was adopted. Indeed, to secure these objects was a chief end sought in adopting the Constitution. It was natural that almost the first act of the new Congress should be a measure for the protection and encouragement of American industries.

If the conditions existing in 1789 had not been changed by unforeseen events, the industrial development of the United States might have continued as it had begun. Manufactures might have grown up twenty years earlier than they did, and from the very beginning of our history the development might have been along the lines which were followed after

1816, or rather, after 1808. What effect this would have had upon our position among the nations of the world, it is impossible to say. The great expansion of commerce from 1793 to 1807 brought much wealth to the country, which enabled the industrial development, when it did come, to be more rapid than it could have been in 1790. It gave the people broader views, rendered them national rather than provincial in their feelings, and taught them that there were other peoples besides those in America.

Through this period, however, England was developing the great manufactures, and gaining the leadership which she has ever since maintained in the manufacturing and commercial world. Whether the United States would have been a stronger rival of England if the industrial development which was fairly started in 1790 had not been interrupted, is a purely speculative question.

What the history of the time does show clearly is, that industrial conditions are more effective in securing laws, than laws are in changing industrial conditions. The state of American commerce and manufactures from 1784 to 1790, certainly called for restrictive and protective legislation and secured it. But with a change of conditions the protective features of the tariff were not strengthened. So long as the development was purely commercial, all changes made in the tariff were for revenue purposes, and it was not till the close of the war of 1812, when the industrial conditions following the Revolution were repeated on an exaggerated scale, that protective legislation was again sought.

APPENDIX.

I.

A LETTER FROM LONDON.

[Quoted in the *Boston Independent Chronicle*, of May 27, 1784, from the *London Evening Post*.]

“Our late proceedings to distress American trade are well calculated for their safety; for while they are thronging our ports with their ships and loading them with our manufactures, we are, by acts which we foolishly think will injure them, preventing them from pursuing their wild commercial conduct, by laying embarrassments in their way. Although an Englishman, I have such a regard for that country, which by a long trial of fortitude and perseverance, has gained its Independence, that I am sorry to find the people so blinded to their real interests as to rush so heedless into the arms of this country by their commercial connections; the large orders for all the various kinds of our manufactures even abounding in all the trifles and superfluities which can be mentioned, must appear to every attentive person who knows the national interest of America, to be big with the most fatal consequences. Let any person candidly judge, whether the vast importations which have been made since the peace, and continue to be shipped, can according to the commercial resources of this young Country, be paid for without the most severe exertions; or can the importer expect to receive any tolerable advantage? The trade, therefore, instead of being in a flourishing state, must be daily decreasing, by the embarrassments and difficulties of remitting; If Americans continue involving themselves in debt to this Country, and for articles mostly of luxury and extravagance, from what sources are to arise their payments?

“ . . . Let us consider of the late exportations, to what an amazing amount has already been shipped to that Country, but how small in comparison have been the returns! An American ship comes, freighted principally with SPECIE:—the currency of that country is daily draining to make us remittances.

“What must be the natural consequences? Nothing short of a poor impoverished country, having its very blood drawn from it, to pay for their extravagant importations. Can anyone suppose a trade so disadvantageous to continue, or that a country is pursuing its interest to persist in such destructive measures? The consequences are too evident.”

II.

[From the *Boston Independent Chronicle*, August 12, 1784.]

FOR THE INDEPENDENT CHRONICLE, MESSRS. ADAMS & NOURSE:

In a former paper I made some cursory remarks on the present situation of our importation from Great Britain; how ruinous to us, as a *commercial people*, to continue in our present connections respecting trade; and what we have to apprehend from British creditors when our debts become due. I shall now confine myself to the necessity of promoting our own *manufactures*; of encouraging our *agriculture*, and by every method possible to bring forward all our *internal resources*, by the encouragement of our *fishery*, *shipbuilding*, and all articles of exports. Many persons, when they hear of *American manufactures*, treat the subject rather as ideal, as if it never could be put into practice with any degree of advantage; but for my own part I do not view the matter in such a point of light. I can suppose many manufactures can be carried on by us, if not altogether, may in *great measure* so as to lessen very essentially our importations; this is the object we ought to have in view, *to curtail as far as possible our foreign importations*. Without having any regard to the large proportion of gauzes, cambrics, silks, ribbons, with innumerable such unnecessary articles which compose the bulk of our assortments; we will consider those essential articles of *woolens*, *linens*, *cloths* and *hosiery*, whether these cannot, by proper encouragement, be had among ourselves. During the American war, though so large a proportion of our men were called into the army, yet at this time, this state in particular had got into the manufacturing of almost all the clothing which each family had occasion for; and to the honor of our House of Representatives, almost every member was clad in his own manufacture—scarce a countryman but had his own clothing, which was the produce of his farm, and the industry of his family. Each one felt a peculiar pride in wearing his own manufacture, and by its becoming thus reputable, we began to make such improvements in the several branches as to fall but little short of English; in these extensive manufactures of woollens, linens, cloths and hosiery, the call for imported articles was every day decreasing, the demand lay principally among those whose pride would not permit them to wear the manufactures of their country; or the sudden demand for the army rendered it out of our power to furnish a full supply. The difficulty of supplying our army on the sudden emergencies is now the principal cause which makes us think we cannot arrive to any degree of perfection in our manufactures, or that we shall not be able to supply ourselves equal to our demand,—but this is

an error in judgment, we could not suppose it possible to be able at that time, when all our exertions were military, to carry on our manufactures to so great a degree as to furnish ourselves, and the constant demands of our army with full supply; but it cannot be brought as an argument, that we cannot *now* supply ourselves, when we have only to attend to these manufactures and when the individuals which composed that army, so far as calling for their own necessities, are now returned home to lend their assistance in the business.—I choose to mention the particular articles of clothing which are considered as the essentials of our importations; I do not pretend to say that we can immediately manufacture sufficient for our demands, I only mean to observe how great a proportion of such importations may be saved if proper encouragement was given to the manufactures of such articles or if that oeconomy would take place in the country which prevailed during the war; neither do I mean to confine my ideas to these articles only, but the *whole branch of manufactures*; every kind which is carried on among us, upon my plan ought to receive every assistance, either by *bounties* or putting it out of the power of the importer, by *duties* on their importations, to distress or injure the manufacturer.

Many branches were set forward in town and country and would have succeeded to the advantage of the country in general, if the supply of imported articles had not discouraged the process—at that time possibly, when the expenses attending such an undertaking would not permit the manufacturer to sell at so low a rate as the merchants, yet if no such importations had taken place, and the demand for our own manufactures had become general, we should in a little time have had such numerous branches set up among us, as would have furnished us equally on as good terms as foreign importations. However the foregoing remarks are, as our affairs were circumstanced in the war, even at that time we were going forward in our manufactures, and we then had specimens, though often nip'd in embryo by foreign supply, how easily we could have succeeded in the essential articles of cloathing; if at that time when all embarrassments which could clog the wheels of every enterprise or concern were thrown in our way; when we were deprived of importing all utensils necessary for manufactures; when our supplies were so scant as to call for every yard of manufacture immediately from the loom;—when so many of our workmen were employed in the army;—when we had no assistance from immigration from the manufacturing countries of Europe; when all our undertakings hung on the chance of war: Surely at *this present period*, when we can import any utensils which are wanted;—when your large supplies of clothing and other articles now among us

can give time to pursue our plans with deliberation!—when our young men are returned from the army; when it is probable we shall receive great assistance from immigration; and when our manufacturing places can be erected with certainty of their continuing free from the ravages of the enemy; certainly to *falter at this time* in an undertaking so essential to the welfare of this country is madness in the extreme.

However, let us suppose that we could not for many years be able to manufacture so cheap as to import; yet I will venture to say the advantages to *this country* must be much greater, even if they are 25 per cent. higher.—As our importations stand, we are so far from purchasing to any advantage, we are daily supplying ourselves to our ruin; though the articles are nominally cheaper, yet under our present disadvantages, we pay most enormously for them; we now pay for them *by draining our country of all its circulating medium*; we are paying for them *by the excessive premiums on bills of exchange*; we are paying for them by the amazing INTEREST which a delay of payment daily encreases; in short we are paying for them *at the hazard of our whole property*; whereas were these manufactures purchased among ourselves our cash would continue circulating in a regular channel, and like the blood in the natural body, it would give life and vigor to the whole system of our *commerce, manufactures and agriculture*.

This state has laid *small duties* on many articles which are manufactured by ourselves; but I conceive they ought to be *so high* as effectually *destroy* their importations—otherways how are we to discharge our national arrearages, when the *manufacturer* on whom we are constantly calling for his taxes, is ruined in his business? In a few years every manufacturer and mechanic in these states may as well throw up their several occupations, as to continue them; what encouragement for them to pursue it, when they find the several articles of their trade are imported from England, and selling by British factors at public auction for half their value? The manufacturer and mechanic, from taxes, shop rents, &c., &c., can not dispose of his articles on the same moderate terms, the consequence must be a final stop to his business.—The purchasers may please themselves, that they are buying great bargains, and saving money by these purchases, *but what becomes of the community when the individuals are impoverished? When taxes cannot be gathered what becomes of the State?—The persons who have got your money have either sent it away, or gone off themselves!* In a few years we may expect to see *factors from England* in the *hatter's branch*—in the *shoemakers*; in the *founders*; and in almost every other branch now carried on among us; our *tradesmen* may then shut up their shops,

and have the pleasure of sauntering about the streets to see the wonderful improvements in the *British manufactures*, of their several branches. These may appear vague sentiments, but they are daily becoming evident, and now scarcely a store, shop, or auction but what fully proves the justness of my remarks.

What I have hitherto observed, is wholly on the *savings* we might make in those articles which are considered *necessary supplies*. With respect to our large importations of *gewgaws*, *ballooneries*, &c., I need hardly offer anything to shew the folly of continuing in such importations; I fondly hope so much virtue will soon appear among my countrymen, as to render needless any dissuasion from the use of such trifles; when we consider what immense sums are constantly going from us; what *large debts* are now due in England for these articles; I am persuaded nothing is necessary to be urged for a total disuse of them.—These *superfluous articles*, however small they appear in themselves, are the *staples* of our present importations; the English merchants who send them but pity our delusion when they know how difficult it is for us to make our remittances; our friends are concerned for us, and our enemies laugh at us, that we should embarrass ourselves with such innumerable trifles.

I am convinced nothing can ever be brought about unless encouragement is given by the *laws of the States*. The promotion of our manufactures of every kind ought therefore to claim the attention of the next General Assembly; it is a matter of so much importance as to call for *immediate attention*; our present connection with Britain ought if possible to be dissolved; it is *unnatural and destructive*!—We ought to lay such embarrassments as to amount to prohibition on such articles which are evidently superfluous; and by every encouragement we should endeavor to promote our own manufactures; and should lay *heavy duties* on such articles as arrive from Britain, which *can be* and *are* manufactured among us;—by this method we shall in some measure retaliate on the folly of that nation, who are by recent acts endeavoring to embarrass us in our commercial connections with them.

I have enumerated some of those necessary articles which are imported from England, of which kind I have shown what a *great proportion* can be manufactured among us; especially when our encouragements to manufactures are known in Europe, we may expect to have arrive among us from these places artizans who will be induced to carry on their business in America.

The prevailing sentiment which has hitherto ruined us in all our manufacturing concerns, is, *that Americans cannot become a manufacturing country, but must only view themselves as a commercial people;*

possessed with these sentiments, we do not pretend to give ourselves any concern about manufactures, nor encouragement to those who are willing to undertake any particular branch; but this is a most erroneous idea: in our present situation we are in every respect the reverse: *Commerce* with us is but a *secondary object*; *manufactures* and *agriculture* are the two grand sources to be attended to, and *from them must spring our commerce*; these are the capitals which must establish us as a commercial people; and by the present plan of our trade we must see our error in neglecting those branches, and rushing heedlessly into our commercial concerns with Britain;—we have thereby already empoverish'd ourselves by sending away our money, and contracted a debt in Europe which will eventually resign over a large property of this country into the hands of English creditors. If we call such conduct *the commerce* of a country, we mistake the idea: No wise nation will promote a branch of trade, which yearly drains them of a large portion of their circulating medium. Can we be so blinded as to think our connection with Britain is on the principles of commerce? To pursue a business which deprives us of our CASH! Our *exports* which could be made to any tolerable advantage are *forbidden* by the very country we are trading with; the *bills* on that country are at a most excessive premium; and after all our efforts and industry we are *finally in arrears*, and the *interest*, like moths eating up our remaining stock! For Heaven's sake abandon this idea of commerce and these commercial connections with Britain which are as unnatural as our political, and the same cause which separated us in our political concerns must separate us in our commercial—viz.: Their ARBITRARY IMPOSITIONS.

As to the necessity of giving every encouragement to our *agriculture*, I need not urge this consideration; it's too evident to need illustrating—the importance of this branch to a country whose extent of territory must for centuries demand the attention of the husbandman—to promote this branch will be a large source for our exports.

After what has been said, many will suppose my *signature* contradicts my principles; however they are mistaken in this as they are in their idea of commerce. I profess myself a friend to commerce, but upon such principles only, as will promote the interest of the community. It is in our power to pursue our trade to advantage—our *fishery* and shipbuilding—our manufacture of *pot & pearl ash*—our *lumber, naval stores, Tobacco, rice, flour, &c.*—these are our internal resources, which are valuable, and which ever will promote a commerce in America;—by attending to these we may establish ourselves in any country in Europe in most respectable

connection: But if, instead of getting our balances in our favour, we make our importations of twice the value of our exports we cannot expect to flourish long, however valuable may be our remittances; to prevent which we must first turn our attention to promote the manufactures among ourselves, of such articles as have been usually the return of our exports; which will, by *lessening our demand* for foreign supplies, leave the balance of our commerce in favour of the American merchant,—I presume no one can condemn these principles, but acknowledge the person a sincere friend to the commerce of this country, who recommends its establishment on so solid a foundation.

A FRIEND TO COMMERCE.

III.

HANDBILL.

[From the *Boston Independent Chronicle*, of April 8, 1785.]

Early yesterday morning the following handbill was found posted up in different parts of the Town.

FRIENDS. and FELLOW-TOWNSMEN.

In the Day of Approaching Calamity, in the Hour of impending Danger, when Destruction and Poverty threaten the Body Politick; It becomes every Lover of his Country to be vigilant; every Friend of the Community to be awake: But the GENIUS of BOSTON appears to sleep on his Post; the GUARDIAN ANGELS of the Commonwealth have fled from Earth.

Indulge me for a Moment to assume their Places: THIS. Hour I have Liberty to address you; the next, shall contemplate your Ruin with Pity: Arouse then, ye Patriots of Massachusetts, awake the Band of honest Mechanicks, hear my Reasoning with Patience, examine its Force with Candour, and firmly DELIBERATE.—RESOLVE to LIVE. Does not every Part of this Metropolis severely feel the amazing Importation of *British Manufactures*, to the Prejudice of home-made Commodities? Are not all the different Classes of Mechanicks materially injured by the residence of ENGLISH FACTORS; who import and vend *cheaper than our Citizens can afford to sell*, all the conveniences and Luxuries of Life. *Hatts, Shoes, ready-made Cloaths*, and all other Articles are daily brought in (*via Halifax*) and the sinews of your Political Existence cut off, to make Returns in GREAT BRITAIN. A circulating medium is not at present to be found; the rapid Sale of their Accursed Commodities, present the whole of your Cash a *Peace-Offering* at the Foot-Stool of GEORGE THE THIRD; the Hatter,

Shoe-maker, Black-smith, Wheel-wright, Pewterer, Taylor, and all other Handicraft, are now marching in *Solemn Procession*, and begging Charity at the Hands of REFUGEE FACTORS. Think not the Idea overcharged; Would to Heaven I held the Trumpet of an Arch-Angel and could rouse you from the Slumbers of Political Death! But remember. I HAVE WARNED YOU.

Assemble then, unitedly assemble, place those Patriots in the Chair, who framed the Non Importation, and let all the People refuse to purchase of these HIRELINGS, or barter the Blood, the Treasurer of a DIGNIFIED REPUBLICK, for the Gewgaws of Luxury, or even the Necessaries of Life.

Above all, be cautious, be guarded! I hate the Bustle of Mobs, but I venerate the glorious spirit of Freemen, displayed in Meetings, to which Authority gives a legal Sanction: Call on the Fathers of the Town; they will grant the reasonable Request; Study to discourage the British Traders, as their Parliament have discouraged your commerce, --- Bid them DEPART in Peace, their Persons sacred, their Property inviolate, but let them not remain, to undermine the Basis of our Empire, by silently sucking the Blood of each Individual.

TEN THOUSAND SUITS OF CLOATHS have this Day arrived from Halifax, Ten Thousand more are hourly expected. Your Trade is dead, your Mechanicks are Beggars, then ROUZE in the Moment, AWAKE, or be forever lost.

THE SPIRIT OF 1775!

April 6, 1785.

IV.

BOSTON MERCHANTS' RESOLUTIONS.

[From the *Boston Independent Chronicle*, April 21, 1785.]

The minds of the people being greatly and justly agitated by the apparent intention of the Government and Merchants of Great Britain to deprive the industrious traders of every benefit of our Commerce, by the entire monopoly of the same to themselves; and this apprehension being increased by authentic advices received by the last ships—A numerous and respectable meeting of Merchants, Traders and others, convened at Faneuil Hall, on Saturday the 16th inst., to consider the alarming state of our trade and navigation and the following votes were unanimously agreed to:—

Whereas no commercial treaty is at present established between these United States and Great Britain, and whereas certain British merchants, factors and agents from England, are now residing in

this town, who have received large quantities of English goods, and are in expectation of receiving further supplies, imported in British bottoms, or otherways greatly to the hindrance of freight in all American vessels; and as many more such persons are daily expected to arrive among us, which threatens an entire monopoly of all British importations, in the hands of all such merchants, agents and factors, which cannot but operate to the essential prejudice of the interest of this country;

Therefore, to prevent as far as possible, the evil tendency of such persons continuing among us (except those of them who shall be approbated by the selectmen) and to discourage the sale of their merchandize, we the merchants, traders and others of the town of Boston DO AGREE,

That a committee be appointed to draft a petition to Congress, representing the embarrassments under which trade now labors, and the still greater to which it is exposed; and the said committee be empowered and directed to write to the merchants in the several seaports in this State, requesting them to join with the merchants of this town in a similar application to Congress, immediately to regulate the trade of the United States, agreeably to the power vested in them by the government of this Commonwealth; and also to obtain instructions to their representatives at the next general court, to call the attention of their delegates in Congress to the importance of bringing forward such regulations as shall place our commerce on a footing of equality.

Voted, That we do pledge our honor, that we will not, directly nor indirectly, purchase any goods of, or have any commercial connections whatever with such British merchants, factors or agents, as are now residing among us, or may hereafter arrive, either from England or any port of the British dominion (except such persons as shall be approved as aforesaid)—and we will do all in our power to prevent all persons acting under us from having any commercial intercourse with them until the salutary purposes of these resolutions shall have been accomplished.

Voted that we will not let or sell any warehouse, shop, house or any other place for the sale of such goods, nor will we employ any one who shall assist such merchants, factors, or agents, by trucks, carts, barrows or labor (except in the reshipment of their merchandize) but will *discountenance* all such persons who shall in any way advise, aid or in the least degree, help or support such merchants, factors or agents, in the prosecution of their business, *as we conceive all such British importations are calculated to drain us of our currency and have a direct tendency to impoverish this country.*

Voted, That a Committee be appointed to wait on those persons who have already let any warehouse, shop, house or any other

place, for the disposal of the merchandize of such merchants, agents or factors, and inform them of the resolutions of this meeting.

Voted, That we will encourage, all in our power, the manufactures and produce of this country, and will in all cases endeavor to promote them.

Voted, That a committee be appointed to make immediate application to the governor and council of this Commonwealth, requesting them if they think proper to instruct the Naval officers of this State to grant no permits for the loading of goods from the dominions of Great Britain, consigned to or the property of persons of the aforesaid description, until the meeting of the Legislature.

Voted, That copies of these resolutions be printed and dispersed among the inhabitants, that they may be adopted and carried into execution with that temper which is consistent with the character of good citizens.

On our public virtue must depend the success of the measures proposed; and relying on that and the zeal for the public safety, which has been so often and so effectually exercised in this town, they cannot fail of meeting the warm and unanimous approbation of the state in general and of all those who are well wishers to the prosperity and lasting happiness of America.

V.

BOSTON TRADESMEN'S RESOLUTIONS.

[From the *Boston Independent Chronicle*, April 28, 1785.]

On Thursday last in consequence of a notice given in the papers, requesting a meeting of the artizans and tradesmen of this town, to take into consideration what measures are necessary to be taken, respecting the intrusion into this metropolis of certain British Factors, &c, and the present unequal system of commerce, tending not only to the ruin of this country, but to the immediate impoverishment of the merchants by the importation in vast quantities, of articles formerly manufactured here,—A large and respectable number assembled at the Green Dragon Tavern, when after amply discussing the object of the meeting, they appointed a committee to draft a plan to be adopted at the next meeting; which by adjournment was held on Monday last, when the following report of their committee was read and accepted.

We the tradesmen and manufacturers of the town of Boston, impressed with the danger which threatens the several branches of our occupations, by the large importations from Europe of certain articles commonly manufactured in this country; which practice, if

pursued, either by *our own* merchants or *foreign agents*, we conceive must eventually ruin those branches which, for a long time have been established among us:

Voted, That a committee be appointed by this body to draft a petition to the next General Court, setting forth the difficulties the manufacturers of this town labor under, by the importation of certain articles, (to be enumerated in the petition) and praying a prohibition, or that such *duties* may be laid, as will effectually promote the manufacture of the same.

Voted, That we will support and countenance all persons who shall inform of any breach in such acts of government which may be made, laying a duty or prohibition on any articles imported from Europe or elsewhere.

Sensible how necessary it is for our common safety to establish among all classes a lasting *Union* both in sentiment and conduct, to frustrate the evil tendency of such importations:

Voted, That we will withhold all commercial connection with those merchants, agents and factors, who have arrived or may hereafter arrive from England, with intention to carry on a mercantile business, to the injury of our own merchants and manufacturers, until the determination of the legislature of this Commonwealth respecting such persons is ascertained.

As the merchants and traders have agreed "to encourage all in their power the manufactures of this country"—

Voted, That this body entertains the highest opinion of their sincere intentions to join us in *All* measures necessary to attain this desirable end; and that they will, consistent therewith, withhold all further importations of any articles that are usually manufactured among ourselves.

Voted, That should we obtain the desired redress, we will endeavor to keep the several articles of our manufacture within moderate prices.

Voted, That we do bear our public testimony against sending away our circulating cash for foreign remittances, as this practice, we conceive, is calculated to impoverish the country, distress individuals in the prosecution of their business and in the payment of taxes.

Voted, That a Committee be appointed to write to the Committee of Merchants and traders of this town, inclosing a copy of these votes, and desiring a mutual correspondence on the subject.

A standing Committee consisting of one member from each trade shall be appointed.

The next meeting is called for May 5th.

VI.

RESOLUTIONS OF THE CITIZENS OF PHILADELPHIA.

[From the *Boston Independent Chronicle*, July 14, 1785.]

"At a general town meeting of the citizens of Philadelphia, North Liberties and District of Southwick, held at the Statehouse, on Monday, the 20th instant, the following *report* of a committee was read:"

"That the committee are unanimous in sentiment, that the most efficient and proper mode of obtaining the desired relief, which the present state of our trade and manufactures, in the relation with foreign nations require, ought to be by application to the legislature, to whose wisdom and justice the further consideration of their momentous concern should be submitted; and in an entire confidence that the opinion of your committee will meet the concurrence of every good citizen.

They beg leave to submit the following resolutions. Resolved, That the present is a suitable occasion, when trade and manufactures have sensibly declined, and many causes concur to our oppression, for the people to exercise collectively that privilege of offering their sentiments and advice to their representatives in assembly.

Resolved, That nothing but a full power in Congress, over the commerce of the United States, can relieve it from its present oppressions.

Resolved, That to withhold from Congress the full constitutional powers for this purpose, would be greatly injurious to the *common interest*; and from the necessity that would be imposed on the states of each resorting to its own independent powers, might induce a dissolution of the common government of the United States.

Resolved, That as agriculture and manufacture are the great employments of the people, and constitute the wealth of the country; and that the former must decline with our export trade, it becomes necessary to extend the latter. It is the opinion of this meeting, that foreign manufactures interfering therewith ought to be discouraged; some by absolute prohibition, others by adequate duties and imposts.

Resolved, That reciprocity of advantages and benefits in trade, ought to be secured, by treaties of commerce between the citizens of the United States and the subjects of those powers with whom they have commercial intercourse, so as to render our commerce with other nations beneficial to our country.

Resolved, That we will individually, by every encouragement in our power, endeavor to promote the manufactures of this country, in preference to foreign ones."

Philadelphia, June 29, 1785.

VII.

THE RHODE ISLAND TARIFF OF 1785.

[From the "Rhode Island Laws," 1785, June Session, p. 18. Also in the *Pennsylvania Gazette*, August 21, 1785.]

"An Act for laying additional duties on certain enumerated articles, and for encouraging the manufactory thereof within this state, and the United States of America.

Be it enacted by this General Assembly, and by the authority thereof it is enacted, that from and after the tenth day of July next there shall be paid for the use of this state, and to be levied, collected and paid in the manner and under the penalties as by an act laying an impost of two per cent. ad valorem upon certain articles therein enumerated, made and passed by the General Assembly of this State, at June session A. D. 1783, is ordered and prescribed, and for the purpose in said act declared, the following additional impost or duty on the value, and at the time and place of landing, on the following goods and article, being of the growth and manufacture of any foreign state, island or plantation, to wit:

On coopers' axes and adzes, 12s. lawful money, per dozen; drawing knives, coopers' compasses and shovels, 6s. per dozen; broad axes 20s. per dozen; narrow axes 12s. per dozen; hatchets, 6s. per dozen; scythes and hoes, twenty per cent. on the value; all tools for the use of blockmakers, chairmakers, tanners, curriers, calkers, shoemakers, and husbandmen (sickles, plane irons and saws excepted) gauges, chisels and oakum, ten per cent. on the value; loaf sugar, 3d. per lb.; every beaver hat, 6s.; every castor hat, 3s., every felt hat, 1s. 6d.; playing cards, 12s. for every dozen packs; muffs, tippets and ermine, ten per cent. on the value; paper charged at the rate of 8s. sterling money of Great Britain, per ream, and under that price, and blank paper books for accounts, twelve per cent. on the value; all wrought pewter and wrought tinware, twelve per cent. on the value; boots, shoes, saddles, coach, chaise and horse harness, bellows, wool and cotton cards, horn combs, whips and lashes for whips, men's and women's leather gloves, twenty per cent. on the value; cordage, twine and lines, five per cent. on the value; all sorts of candles and soap (castile soap excepted) and all manufactured tobacco, ten per cent. on the value; all garments ready made, walking canes, brush and warming pan handles, prop sticks, tailors' press and notch boards, house bells, sham watches and children's toys, twenty-five per cent. on the value; iron hollow ware, 3s. per cwt.; women's silk shoes, 1s. 6d. per pair; women's leather and stuff shoes, 1s. per pair; all dressed or tanned leather 3d. per pound; wrought silver 1s. per oz.; wrought gold 6s. per oz.;

every clock and gold watch, 18s.; every silver watch, 6s.; every coach or chariot, £15; every other four-wheeled carriage £7 10s.; every curricule, chaise, riding chair, kittereen or sulky, £3 15s.; plated buckles, goldsmiths', silversmiths' and jewellers' wrought ware, ten per cent. on the value; instrument makers' work, cabinetmakers' work, and framed chairs, ten per cent. on the value; Madeira wine 4d. per gallon; all other wines, 2d. per gallon; porter and beer, ten per cent. on the value.

VIII.

PENNSYLVANIA TARIFF ACT OF 1785.

[From the "Pennsylvania Laws" of 1785, p. 669. Printed also in the *Pennsylvania Gazette*, October 5, 1785.]

An Act to encourage and protect the manufactures of this State, by laying additional duties on certain manufactures which interfere with them.

Whereas; divers useful and beneficial arts and manufactures have been gradually introduced into Pennsylvania, and the same have at length risen to a very considerable extent and perfection, inso-much that in the late war between the United States of America, and Great Britain, when the importation of European goods was much interrupted, and often very difficult and uncertain, the artizans and mechanics of this state were able to supply in the hours of need, not only large quantities of weapons and other implements, but also ammunition and clothing, without which the war could not have been carried on, whereby their oppressed country was greatly assisted and relieved.

And whereas, although the fabrics and manufactures of Europe, and other foreign parts, imported into this country in times of peace, may be afforded at cheaper rates than they can be made here, yet good policy and a regard to the wellbeing of divers useful and industrious citizens, who are employed in the making of like goods, in this state, demand of us that moderate duties be laid on certain fabrics and manufactures imported, which do most interfere with, and which (if no relief be given) will undermine and destroy the useful manufactures of the like kind in this country, for this purpose.

Be it enacted, and it is hereby enacted by the Representatives of the freemen of the commonwealth of Pennsylvania in General Assembly met, and by the authority of the same. That further and additional duties, as herein after specified, shall be levied collected and paid on the importation into this state, of certain goods,

wares and merchandize, enumerated and particularized in this Act, of foreign product, growth or manufacture; and the same duties shall be collected, secured and paid in like manner and for like continuance, as the impost of two and a half percent is or shall be collected, secured and paid, subject to like regulations, seizure and forfeiture, and entitled to like drawbacks on re-exportation. And the Collector of the port of Philadelphia shall be subject to like account and responsibility for the same. That is to say,

Upon every coach, chariot or landau or other carriage having four wheels, the sum of twenty pounds.

Upon every chaise, chair, kittereen, curricule, or other carriage, having two wheels, ten pounds, and in the same proportion for any parts of such carriages.

Upon every clock, thirty shillings.

Upon every dozen packs of playing cards seven shillings and six pence.

Upon every dozen reaping hooks and sickles, twelve shillings.

Upon every dozen scythes, except Dutch and German, fifteen shillings.

Upon every hundred weight of refined sugar, eight shillings and four pence.

Upon every gallon of beer, ale, porter and cider, six pence.

Upon every dozen hottles of beer, porter or cider, four shillings.

Upon all malted barley, or other malted grain, five per cent. ad valorem.

Upon all salted or dried fish, seven shillings and six pence for every hundred weight thereof.

Upon every hundred weight of cheese and butter, eight shillings and four pence.

Upon all beef, two per cent. ad valorem.

Upon all pork, five per cent. ad valorem.

Upon every pound of soap, except castile soap, one penny.

Upon every pound of chocolate, four pence.

Upon every pound of candles, of tallow or wax, one penny.

Upon every pound of glue, two pence.

Upon every pound of starch or hair powder, one penny.

Upon all hulled barley, dried peas, and mustard, ten per cent. ad valorem.

Upon all manufactured tobacco, other than snuff, six pence for every pound thereof.

Upon every pound of snuff, including the bottles, canister or other package, one shilling.

Upon all lamp black, cotton and wool cards, manufactured leather, pasteboards, parchment, writing, printing, wrapping and sheathing paper, and paper hangings, ten per cent. ad valorem.

Upon every pair of men's and women's leathern shoes, two shillings.

Upon every pair of women's silken shoes or slippers, two shillings and six pence.

Upon every pair of women's stuff shoes or slippers, one shilling.

Upon every pair of boots, five shillings.

Upon every saddle for men's or women's use, twelve shillings and six pence.

Upon every ounce of wrought gold, twenty shillings.

Upon every ounce of wrought silver, two shillings.

Upon all utensils and vessels of pewter, tin or lead, upon all wrought copper, brass, bell-metal and cast iron, ten per cent. ad valorem.

Upon all British steel, ten per cent. ad valorem.

Upon all slit iron, nail rods and sheet iron, ten per cent. ad valorem.

Upon all garments ready made, for men's or women's wear, including castor and wool hats, ten per cent. ad valorem.

Upon every beaver hat, seven shillings and six pence.

Upon all blank books, bound or unbound, ten per cent. ad valorem.

Upon all tarred cordage, yarns or fixed rigging, eight shillings and four pence for every hundred weight thereof.

Upon all white ropes, log lines, twine and seins, twelve shillings and six pence for every hundred weight thereof.

Upon all polished or cut stones in imitation of jewelry, chimney pieces and tables, and other polished marble; upon all cabinet or joiner's work, horsemen's whips, carriage whips, walking canes, musical instruments, and instruments used in surveying, ten per cent. ad valorem.

Upon all stone and earthen ware, ten per cent. ad valorem.

Upon all panes, plates, vessels and utensils of British glass, two and a half per cent. ad valorem.

Upon all teas imported from Europe or the West Indies, viz.: Upon every pound of Hyson tea, six pence; upon every pound of other tea, two pence.

Upon all rum imported in any vessel belonging to any foreign state or kingdom, six pence for every gallon thereof and the like sum upon all rum imported into this state by land or water from any of the United States except it should be made to appear by the oath of the exporter, certified by the collector of the port from whence it may be last shipped, that it was distilled in the state from whence it be imported, or that it has been imported into that state by vessels belonging to the United States.

Upon all wines and fruits being the growth of the kingdom of Portugal, or of the territories thereunto belonging, viz.: Upon all wines, one shilling for every gallon thereof; upon every box of lemons, five shillings; upon every hundred weight of raisins, or other fruit, seven shillings and six pence; the said duty to continue so long as the flour of America is prohibited from being imported into the kingdom and territories aforesaid.

Upon every ton of shipping belonging in whole or in part to any foreign nation or state whatever, except such as the honorable Congress of the United States have entered into treaties of commerce with, seven shillings and six pence for every ton thereof, carpenter's measure, for each and every voyage.

Upon all ready-made sails, ten per cent. ad valorem.

Upon all testaments, psalters, spelling books and primers, in the English and German languages; upon all romances, novels and plays, fifteen per cent. ad valorem.

Upon all bone and tortoise shell combs, five per cent. ad valorem.

Upon all saddle trees, ten per cent. ad valorem.

Upon all linens made of flax, two and a half per cent. ad valorem.

And the same imposts, and every of them, shall become due and payable to the commonwealth, in the manner hereinbefore specified and directed, from and after the first day of the year one thousand seven hundred and eighty-six.

And be it further enacted by the authority aforesaid, That all tin in pigs, and tinned plates, lead, pewter, brass, copper, in pigs and in plates, cocoa, molasses, sheep's wool, cotton wool, hemp, flax, all dyeing woods and dyeing drugs, whale oil and other fish oil, skins and hides, shall be from and after the passing of this act, exonerated and discharged of all impost and duty upon the importations of them, or any of them, from any place whatsoever; and that the hundred-weight hereinbefore mentioned, shall be deemed to be one hundred avoirdupois, containing one hundred and twelve pounds.

And be it further enacted that an additional impost of five per cent. ad valorem in like manner as is hereinbefore directed, shall be levied, collected and paid to this commonwealth, on the importations into this state by land or water, of all foreign manufactures of refined iron, or of refined iron and steel, or of steel not otherwise specially rated, and charged in and by this act, except wire, files, tinned plates, Dutch and German scythes and cutting knives; and an impost in like manner of seven and a half per cent. ad valorem, on all foreign made carpenter's work, blocks for ship-

ping, sheeves for ship use, and upon all foreign leathers, as well tawed as tanned leather, and not otherwise herein before rated and charged, and upon all turner's work and turner's wares, and that the collector of the port of Philadelphia shall be responsible for the same, and shall pay over the moneys which shall come into his hands therefrom to the treasurer of the commonwealth, and that he shall account for the same in like manner, and to like effect as is provided by law, concerning the former impost revenue of this state.

Signed by order of the House,

JOHN BAYARD, *Speaker*.

Enacted into a law at Philadelphia Tuesday, the twentieth day of September, in the year of our Lord one thousand seven hundred and eighty-five.

SAMUEL BRYAN,
Clerk of the General Assembly.

IX.

EXTRACT FROM A LAW OF MASSACHUSETTS, PASSED NOVEMBER 17, 1786.

[From the "Laws of Massachusetts," 1783-1789, p. 529.]

"And whereas it is the duty of every people, blessed with a fruitful soil, and a redundancy of raw materials, to give all due encouragement to the agriculture and manufactures of their own country;

"Be it therefore enacted, that on and after the first day of March next, the following articles, not being the growth or manufacture of any of the United States of America, be, and they are hereby declared to be contraband and are prohibited from being brought into this state by land or water, on pain of forfeiture, viz.: loaf sugar, hats made of fur, hair and wool or any or either of them; boots and shoes of every denomination, coaches and all other riding carriages or any parts thereof, and harness of all sorts, scythes, iron shovels, hoes, broad and narrow axes, flat irons for ironing clothes, anchors, iron and brass stoves, mill saws, saddles and bridles, wool cards, cotton cards, ready-made millinery, articles of dress of all kinds, plumes and artificial flowers of all kinds, white and blonde lace of all sorts, fans charged more than five shillings sterling apiece in the invoice exhibited, embroidered patterns for waistcoats, or for any other parts of dress, gold and silver lace and trimmings, womens and childrens stays, leather gloves and mits of all sorts, message cards, playing cards, hair powder of all kinds,

pomatum and all kinds of perfumery, paper hangings, children's toys, spelling books and primers, novels, romances and plays, whips, walking canes, horn and tortoise shell combs, porter, beer and ale, butter, cheese and mustard, coffin furniture of all kinds, linseed-oil, candles, snuff, and all kinds of manufactured tobacco, all kinds of wearing apparel and wooden household furniture, except the furniture brought by persons who shall come to reside in this country."

X.

COMPARISON OF THE PENNSYLVANIA DUTIES OF 1785
WITH THOSE PROPOSED BY FITZSIMMONS IN 1789.

[The Fitzsimmons resolution is in the "History of Congress," p. 290. The Pennsylvania Act is that given in Appendix VIII.]

FITZSIMMONS RESOLUTION.	PENNSYLVANIA ACT OF 1785.	
<i>Articles to be taxed at Rates agreed upon.</i>	<i>Articles taxed.</i>	<i>Rate.</i>
Upon every gallon of beer, ale or porter.	Upon every gallon of beer, ale, porter or cider	6d.
" every barrel of beef.	" all beef	2 per ct.
" every barrel of pork.	" all pork	5 per ct.
" every pound of butter.	" every cwt. of butter	8s. 4d.
" all candles of tallow.	" every pound of candles of tallow or wax	1d.
" all candles of wax or spermaceti.	" every cwt. cheese	8s. 4d.
" all cheese.	" every pound of soap	1d.
" all soap.	" every pair of boots	5s.
" all cider.	" all British steel	10 per ct.
" all boots.	" all tarred cordage, yarn, etc., per cwt.	8s. 4d.
" all steel, unwrought.	" all white ropes, log lines, etc. per cwt.	12s. 6d.
" cables.	" all twine, per cwt.	12s. 6d.
" tarred cordage.	" all malted barley or other malted grain	5 per ct.
" untarred cordage.	" all nails and nail rods	10 per ct.
" twine or pack thread.	" all manufactured tobacco, per lb.	6d.
" malt, for every bushel.	" every pound of snuff	1s.
" all nails, spikes, tacks, or brads.	" all blank books	10 per ct.
" salt, per bushel.		
" manufactured tobacco.		
" snuff.		
" all blank books.		

FITZSIMMONS RESOLUTION.	PENNSYLVANIA ACT OF 1785.	
<i>Articles to be taxed at Rates agreed upon.</i>	<i>Articles taxed.</i>	<i>Rate.</i>
Upon writing, printing and wrapping paper.	Upon all parchments, writing, printing, wrapping, sheathing paper and paper baggings	10 per ct.
“ all pasteboard.	“ all pasteboards	10 per ct.
“ all cabinet ware.	“ all cabinet or joiner's work	10 per ct.
“ all buttons of metal.	“ every saddle for men's or women's use	12s. 6d.
“ gloves of leather.	“ every beaver hat	7s. 6d.
“ hats of beaver, fur, wool or a mixture of either.	“ castor and wool hats	10 per ct.
“ all millinery.	“ all cast iron	10 per ct.
“ castings of iron and	“ all slit iron and sheet iron	10 per ct.
“ slit and rolled iron.	“ all leather as well tanned as tawed, not otherwise herein before rated and charged	7½ per ct.
“ all leather tanned or tawed and upon all manufactures of leather (except such as are otherwise rated by this act.)	Manufactures of leather	10 per ct.
“ all shoes, slippers and golo-shoes.	Upon every pair of men's or women's leather shoes	2s.
	“ every pair of men's or women's silken shoes	2s. 6d.
	“ every pair of men's or women's stuff shoes	1s.
“ every coach, chariot, and other four wheel carriages.	“ every coach, chariot or landau or other carriage having four wheels	£20.
“ every chaise, solo or other two wheel carriage.	Upon every chaise, chair, kittereen, curricl or other carriage having two wheels and in the same proportion for any parts of such carriage	£10.
“ every pound of nutmegs.	Upon every cwt. of raisins or other fruit from Portugal	7s. 6d.
“ every pound of cinnamon.		
“ every pound of cloves.		
“ raisins, for every 112 lbs.		
“ figs, “ “		
“ currants, “ “		
“ almonds. “ “		

XI.

REPORT OF JEFFERSON, GERRY, AND OTHERS ON THE
NECESSITY OF CONGRESSIONAL REGULA-
TION OF COMMERCE.

[From the "Journals of Congress," IX, 1186.]

"The trust reposed in Congress renders it their duty to be attentive to the conduct of foreign nations, and to prevent or restrain as far as may be, all such proceedings as might prove injurious to the United States. The situation of commerce at this time claims the attention of the several states, and few objects of greater importance can present themselves to their notice. The fortune of every citizen is interested in the success thereof, for it is the constant source of wealth and incentive to industry; and the value of our produce and land must ever rise and fall in proportion to the prosperous or adverse state of our trade.

Already has Great Britain adopted measures destructive of our commerce with her West India islands. There was reason to suppose that measures so unequal and so little calculated to promote mercantile intercourse would not be persevered in by an enlightened nation. But these measures are growing into system. It would be the duty of Congress, as it is their wish to meet the attempts of Great Britain with similar restrictions on her commerce; but their powers on this head are not explicit, and the propositions made by the legislatures of several states render it necessary to take the general sense of the Union on this subject.

Unless the United States in Congress assembled shall be vested with power competent to the protection of commerce, they can never command reciprocal advantages in trade; and without these our foreign commerce must decline and eventually be annihilated. Hence it is necessary that the states should be explicit and fix on some effectual mode by which foreign commerce not founded on the principles of equality may be restrained.

That the United States may be enabled to secure such terms they have;

Resolved, That it be and hereby is recommended to the legislatures of the several states to vest the United States in Congress assembled, for the term of fifteen years, with the power to prohibit any goods, wares and merchandise from being imported into or exported from any of the states in vessels belonging to or navigated by the subjects of any power with whom these states shall not have formed treaties of commerce.

Resolved, That it be and hereby is recommended to the legislatures of the several states to vest the United States in Congress

assembled, for the term of fifteen years, with power of prohibiting the subjects of any foreign state, kingdom or empire, unless authorized by treaty, from importing into the United States any goods, wares or merchandize which are not the produce of the dominions of the sovereigns whose subjects they are.

Provided that to all acts of the United States in Congress assembled, in pursuance of the above powers, the assent of nine states shall be necessary."

XII.

EXTRACTS FROM THE SPEECH OF JOHN HANCOCK TO THE GENERAL ASSEMBLY OF MASSACHU- SETTS, OCTOBER 9, 1783.

[From the MS. Journal of the Massachusetts House of Representatives for 1782,
p. 232.]

"Some authentic extracts of letters written by his excellency, John Adams, Esq., upon the necessity of supporting the credit of the United States in pecuniary matters having lately been transmitted to me, and the sentiments they express upon this subject deserving so much our particular attention at this time, I could not excuse myself in omitting to lay them before you. I need not remind you, gentlemen, of the political knowledge of that minister, of the confidence he has required from the United States; of the part he bore in framing the constitution of this commonwealth and the confederation of the states, the interest and spirit of which he well understood. Nor need I mention the advantages afforded him by his important public employments in Europe for taking an extended view of the subject on which he writes; for examining it nicely and feeling its whole force. His sentiments so exactly according to those of Gen. Washington, and of other characters, the most distinguished in the states, I am sure will come with particular weight upon your minds. What must be his feelings, and what those of our other respectable negotiators abroad, who have been authorized to borrow monies in the name and upon the faith of the United States, should any diversity of sentiment, respecting the mode of raising supplies, be allowed to operate so far as to retard the payment even of the interest, and to stain our credit through the world: We can scarcely inquire what a dishonor and what an extensive injury we should do ourselves by such a conduct, especially at our first appearance upon the great theatre of nations. For the removal of such difficulties, I hope, we, in this commonwealth, and the states throughout the Union, shall be

ready to concede to one another, so far as is consistent with the support of public justice and honor, and that we shall by such a disposition, soon find ourselves united in a point so essential to our common preservation and happiness."

XIII.

REPORT OF 1782 BY HAMILTON, MADISON, AND FITZSIMMONS, ON RHODE ISLAND'S OBJECTIONS TO THE FEDERAL IMPOST.

[From the "Journals of Congress," VIII, 208-216.]

By the United States in Congress assembled, December 16, 1782.

The committee, consisting of Mr. Hamilton, Mr. Madison and Mr. Fitzsimmons, to whom was referred the letter of 30th November, from the honourable William Bradford, speaker of the lower house of assembly of the state of Rhode Island, containing under three heads, the reasons of that state for refusing their compliance with the recommendation of Congress for a duty on imports and prize goods; report,

That they flatter themselves the state, on a reconsideration of the objections they have offered, with a candid attention to the arguments which stand in opposition to them, will be induced to retract their dissent, convinced that the measure is supported on the most solid grounds of equal justice, policy and general utility. The following observations, contrasted with each head of the objections, successively, will furnish a satisfactory answer to the whole.

First objection. "That the proposed duty would be unequal in its operation, bearing hardest upon the most commercial states, and so would press peculiarly hard upon that state, which draws its chief support from commerce."

The most common experience, joined to the concurrent opinions of the ablest commercial and political observers, have established beyond controversy this general principle, "that every duty on imports is incorporated with the price of the commodity, and ultimately paid by the customer, with a profit on the duty itself, as a compensation to the merchant for the advance of his money."

The merchant considers the duty demanded by the state on the imported article, in the same light with freight or any similar charge, and adding it to the original cost, calculates his profit on the aggregate sum. It may happen that at particular conjunctures, where the markets are overstocked, and there is a competition among the sellers, this may not be practicable; but in the general course of trade the demand for consumption preponderates, and

the merchant can with ease indemnify himself, and even obtain a profit on the advance. As a consumer, he pays his share of the duty, but it is no further a burden upon him. The consequence of the principle laid down is, that every class of the community bears its share of the duty in proportion to its consumption, which last is regulated by the comparative wealth of the respective classes, in conjunction with their habits of expense or frugality. The rich and luxurious pay in proportion to their riches and luxury; the poor and parsimonious, in proportion to their poverty and parsimony. A chief excellence of this mode of revenue is, that it preserves a just measure to the abilities of individuals, promotes frugality, and taxes extravagance. The same reasoning in our situation applies to the intercourse between two states; if one imports and the other does not, the latter must be supplied by the former. The duty being transferred to the price of the commodity, is no more a charge on the importing state for what is consumed in the other than it is a charge on the merchant for what is consumed by the farmer or artificer. Either state will only feel the burthen in a ratio to its consumption, and this will be in a ratio to its population and wealth. What happens between the different classes of the same community internally happens between the two states; and as the merchant, in the first case, so far from losing the duty himself, has a profit on the money he advances for that purpose; so the importing state, which in the second case is the merchant with respect to the other, is not only re-imbursed by the non-importing state, but has a like benefit on the duty advanced. It is therefore the reverse of a just position, that the duty proposed will bear hardest on the most commercial states; it will, if any thing, have a contrary effect, though not in a sufficient degree to justify an objection on the part of the non-importing states. For it is as reasonable they should allow an advance on the duty paid as on the first cost, freight or any incidental charge. They have also other advantages in the measure fully equivalent to this disadvantage. Over nice and minute calculations, in matters of this nature, are inconsistent with national measures, and in the imperfect state of human affairs, would stagnate all the operations of government. Absolute equality is not to be attained: to aim at it, is pursuing a shadow at the expense of the substance, and in the event we should find ourselves wider of the mark, than if in the first instance we were content to approach it with moderation.

Second objection. "That the recommendation proposes to introduce into that and the other states, officers unknown and unaccountable to them, and so is against the constitution of the state."

It is not to be presumed that the constitution of any state could mean to define and fix the precise numbers and descriptions of all

officers to be permitted in the state, excluding the creation of any new ones, whatever might be the necessity derived from that variety of circumstances incident to all political institutions. The legislature must always have a discretionary power of appointing officers, not expressly known to the constitution, and this power will include that of authorizing the federal government to make the appointments in cases where the general welfare may require it. The denial of this would prove too much; to wit, that the power given by the confederation to Congress, to appoint all officers in the post-office, was illegal and unconstitutional.

The doctrine advanced by Rhode Island would perhaps prove also that the federal government ought to have the appointment of no internal officers whatever; a position that would defeat all the provisions of the confederation, and all the purposes of the union. The truth is, that no federal constitution can exist without powers that in their exercise affect the internal police of the component members. It is equally true, that no government can exist without a right to appoint officers for those purposes which proceed from, and concenter in itself; and therefore the confederation has expressly declared that Congress shall have authority to appoint all such "civil officers as may be necessary for managing the general affairs of the United States under their direction." All that can be required is, that the federal government confine its appointments to such as it is empowered to make by the original act of union, or by the subsequent consent of the parties; unless there should be express words of exclusion in the constitution of a state, there can be no reason to doubt that it is within the compass of legislative discretion to communicate that authority.

The propriety of doing it upon the present occasion, is founded on substantial reasons.

The measure proposed is a measure of necessity. Repeated experiments have shown, that the revenue to be raised within these states is altogether inadequate to the public wants. The deficiency can only be supplied by loans. Our applications to the foreign powers, on whose friendship we depend, have had a success far short of our necessities. The next resource is to borrow from individuals. These will neither be actuated by generosity nor reasons of state. 'Tis to their interest alone we must appeal. To conciliate this, we must not only stipulate a proper compensation for what they lend, but we must give security for the performance. We must pledge an ascertained fund; simple and productive in its nature; general in its principle, and at the disposal of a single will. There can be little confidence in a security under the constant revisal of thirteen different deliberatives. It must, once for all, be defined

and established on the faith of the states solemnly pledged to each other, and not revocable by any without a breach of the general compact.

'Tis by such expedients that nations, whose resources are understood, whose reputations and governments are erected on the foundations of ages, are enabled to obtain a solid and extensive credit. Would it be reasonable in us to hope for more easy terms, who have so recently assumed our rank among the nations? Is it not to be expected, that individuals will be cautious in lending their money to a people in our circumstances, and that they will at least require the best security we can give?

We have an enemy vigilant, intriguing, well acquainted with our defects and embarrassments. We may expect that he will make every effort to instil diffidences into individuals, and in the present posture of our internal affairs, he will have too plausible ground on which to tread. Our necessities have obliged us to embrace measures, with respect to our public credit, calculated to inspire distrust. The prepossessions on this article must naturally be against us, and it is therefore indispensable we should endeavor to remove them, by such means as will be the most obvious and striking.

It was with these views Congress determined on a general fund; and the one they have recommended must, upon a thorough examination, appear to have fewer inconveniences than any other.

It has been remarked as an essential part of the plan, that the fund should depend on a single will. This will not be the case, unless the collection, as well as the appropriation, is under the control of the United States; for it is evident, that after the duty is agreed upon, it may, in a great measure, be defeated by an ineffectual mode of levying it. The United States have a common interest in a uniform and equally energetic collection; and not only policy, but justice to all parts of the union, designates the utility of lodging the power of making it where the interest is common. Without this it might in reality operate as a very unequal tax.

Third objection. "That by granting to Congress a power to collect monies from the commerce of these states, indefinitely as to time and quantity, and for the expenditure of which they are not to be accountable to the states, they would become independent of their constituents, and so the proposed impost is repugnant to the liberty of the United States."

Admitting the principle of this objection to be true, still it ought to have no weight in the present case because there is no analogy between the principle and the fact.

First. The fund proposed is sufficiently definite as to time, because it is only co-extensive with the existence of the debt con-

tracted and to be contracted in the course of the war. Congress are persuaded that it is as remote from the intention of their constituents to perpetuate that debt, as to extinguish it at once by a faithless neglect of providing the means to fulfill the public engagements. Their ability to discharge it in a moderate time, can as little be doubted as their inclination, and the moment that debt ceases, the duty, so far as respects the present provision, ceases with it.

The resolution recommending the duty, specifies the object of it to be the discharge of the principal and interest of the debts already contracted, or which may be contracted on the faith of the United States for supporting the present war.

Secondly. The rate per cent. is fixed, and it is not at the option of the United States to increase it. Though the product will vary according to the variations in trade; yet as there is this limitation of the rate, it cannot be properly said to be indefinite as to quantity.

By the confederation, Congress have an absolute discretion in determining the quantum of revenue requisite for the national expenditure. When this is done, nothing remains for the states separately, but the mode of raising. No state can dispute the obligation to pay the sum demanded without a breach of the confederation; and when the money comes into the treasury the appropriation is the exclusive province of the federal government. This provision of the confederation (without which it would be an empty form) comprehends in it the principle in its fullest latitude, which the objection under consideration treats as repugnant to the liberty of the United States, to wit, an indefinite power of prescribing the quantity of money to be raised, and of appropriating it when raised.

If it be said that the states individually, having the collection in their own hands, may refuse a compliance with exorbitant demands, the confederation will answer, that this is a point of which they have no constitutional liberty to judge. Such a refusal would be an exertion of power, not of right, and the same power which could disregard a requisition made on the authority of the confederation, might any time arrest the collection of duty.

The same kind of responsibility which exists with respect to the expenditure of the money furnished in the forms hitherto practiced, would be equally applicable to the revenue from the imports.

The truth is, the security intended to the general liberty in the confederation, consists in the frequent election and in the rotation of the members of Congress, by which there is a constant and an effectual check upon them. This is the security which the people in every state enjoy against the usurpations of their internal governments; and it is the true source of security in a representa-

tive republic. The government, so constituted, ought to have the means necessary to answer the end of its institution. By weakening its hands too much it may be rendered incapable of providing for the interior harmony, or the exterior defence of the state.

The measure in question, if not within the letter, is within the spirit of the confederation. Congress, by that, are empowered to borrow money for the use of the United States, and by implication, to concert the means necessary to accomplish the end. But without insisting upon this argument, if the confederation has not made proper provision for the exigences of the states, it will be at all times the duty of Congress to suggest further provisions; and when their proposals are submitted to the unanimous consent of the states, they can never be charged with exceeding the bounds of their trust. Such a consent is the basis and function of the confederation, which expressly, in the 13th article, empowers Congress to agree to and propose such additional provision.

The remarks hitherto made, have had reference principally to the future prosecution of the war. There still remains an interesting light in which the subject ought to be reviewed.

The United States have already contracted a debt in Europe, and in this country, for which their faith is pledged. The capital of this debt can only be discharged by degrees; but a fund for this purpose, and for paying the interest annually, on every principle of policy and justice, ought to be provided. The omission will be the greatest ingratitude and cruelty to a large number of meritorious individuals, who, in the most critical periods of war, have adventured their fortunes in support of our independence. It would stamp the national character with indelible disgrace.

An annual provision for the purpose will be too precarious. If its continuance and application were certain it would not afford complete relief. With many, the regular payment of interest, by occasional grants, would suffice; but with many more it would not. These want the use of the principal itself, and they have a right to it; but since it is not in our power to pay off the principal, the next expedient is to fund the debt and render the evidences of it negotiable.

Besides the advantage to individuals from this arrangement, the active stock of the nation would be increased by the whole amount of the domestic debt, and of course the abilities of the community to contribute to the public wants; the national credit would revive and stand hereafter on a secure basis.

This was another object of the proposed duty.

If it be conceded that a similar fund is necessary, it can hardly be disputed that the one recommended is the most eligible. It has

already shown that it affects all parts of the community in proportion to their consumption, and has therefore the best pretensions to equality. It is the most agreeable tax to the people that can be imposed, because it is paid insensibly and seems to be voluntary.

It may perhaps be imagined that it is unfavorable to commerce, but the contrary can easily be demonstrated. It has been seen that it does not diminish the profit of the merchant, and of course can be no diminution of his inducements to trade. It is too moderate in its amount to discourage the consumption of imported goods, and cannot on that account abridge the extent of importations. If it even had this effect, it would be an advantage to commerce, by lessening the proportion of our imports to our exports, and inclining the balance in favor of this country.

The principal thing to be consulted for the advancement of commerce is to promote exports. All impediments to these, either by way of prohibition or by increasing the prices of native commodities, decreasing by that means their sale and consumption at foreign markets, are injurious. Duties on exports have this operation. For the same reason, taxes on possessions and the articles of our own growth or manufacture, whether in the form of a land tax, excise or any other, are more hurtful to trade than impost duties. The tendency of all such taxes is to increase the prices of those articles which are the objects of exportation, and to enable others to undersell us abroad. The farmer, if he pays a heavy land tax, must endeavor to get more for the products of his farm: the mechanic and laborer, if they find the necessaries of life grow dearer by an excise, must endeavor to exact higher wages: and these causes will produce an increase of prices within, and operate against foreign commerce.

It is not, however, to be inferred that the whole revenue ought to be drawn from imports: all extremes are to be rejected. The chief thing to be attended to is, that the weight of the taxes fall not too heavily in the first instance upon particular parts of the community. A judicious distribution to all kinds of taxable property, is a first principle in taxation. The tendency of these observations is only to show, that taxes on possessions, on articles of our own growth and manufacture, are more prejudicial to trade than duties on imports.

The observations which conclude the letter on which these remarks are made, naturally lead to reflections that deserve the serious attention of every member of the union. There is a happy mean between too much confidence and excessive jealousy, in which the health and prosperity of a state consist. Either extreme is a dangerous vice; the first is a temptation to men in power to arro-

gate more than they have a right to ; the latter enervates government, prevents system in administration, defeats the most salutary measures, breeds confusion in the state, disgusts and discontents among the people, and may eventually prove as fatal to liberty as the opposite temper.

It is certainly pernicious to leave any government in a situation of responsibility disproportioned to its powers.

The conduct of the war is intrusted to Congress, and the public expectation turned upon them without any competent means at their command to satisfy the important trust. After the most full and solemn deliberation, under a collective view of all the public difficulties, they recommend a measure which appears to them the corner stone of the public safety: they see this measure suspended for nearly two years—partially complied with by some of the states, rejected by one of them, and in danger on that account to be frustrated ; the public embarrassments every day increasing, the dissatisfaction of the army growing more serious, the other creditors of the public clamoring for justice ; both irritated by the delay of measures for their present relief or future security, the hopes of our enemies encouraged to protract the war, the zeal of our friends depressed by an appearance of remissness and want of exertion on our part, Congress harrassed, the national character suffering, and the national safety at the mercy of events.

This state of things cannot but be extremely painful to Congress, and appear to your committee to make it their duty to be urgent to obviate the evils with which it is pregnant.

Resolved, That Congress agree to the said report."

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